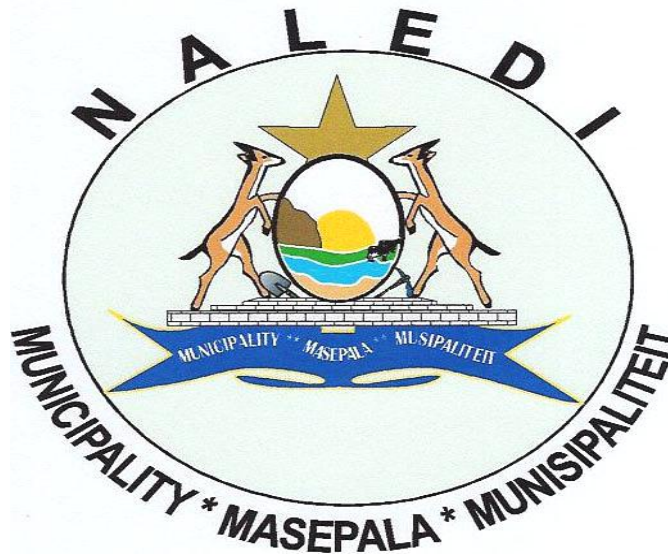


NALEDI LOCAL MUNICIPALITY



INTERGRA TED DEVELOPMENT PLAN OFFICIAL FIVE YEAR STRATEGIC DOCUMENT 2011/ 2016

1	<u>FORWORD BY THE MAYOR</u>	5
2	<u>FOREWORD BY THE MUNICIPAL MANAGER</u>	7
3	<u>EXECUTIVE SUMMARY</u>	9
3.1	THE INTEGRATED DEVELOPMENT PLAN	9
3.2	BACKGROUND TO THE INTEGRATED DEVELOPMENT PLAN	9
3.3	ROLE AND PURPOSE OF THE IDP	10
3.4	POLICY AND LEGISLATIVE CONTEXT	10
4	<u>INTEGRATED DEVELOPMENT PLANNING OVERVIEW</u>	12
4.1	BACKGROUND	12
4.2	VISION	12
4.3	MISSION	12
4.4	VALUES	13
4.5	CONSTITUTIONAL POWERS AND FUNCTIONS OF NALEDI LOCAL MUNICIPALITY	13
4.6	IDP PROCESS OVERVIEW	15
4.7	PROCESS PROGRAMME & TIMEFRAME	16
4.7.1	ANALYSIS PHASE	21
4.7.2	STRATEGY PHASE	21
4.7.3	PROJECT PHASE	21
4.7.4	INTEGRATION PHASE	21
4.7.5	APPROVAL PHASE	21
4.8	COMMUNITY AND STAKEHOLDER PRIORITY ISSUES	21
5	<u>OVERVIEW OF THE MUNICIPALITY</u>	23
5.1	INSTITUTIONAL PROFILE-POLITICAL COMPONENT (PLENARY COUNCIL)	23
5.2	COMPOSITION, BOUNDARIES AND SIZE	23
5.3	POPULATION PROFILE	23
5.4	GENERAL STATISTICAL FIGURES AS PER STATISTICS SA 2007	24
5.5	COMPILATION OF WARDS AND REGISTERED VOTERS	27
6	<u>SUMMARY OF SERVICE DELIVERY BACKLOG ISSUES</u>	28
7	<u>MUNICIPAL SERVICE DELIVERY STATUS QUO</u>	32
7.1	SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT	32
7.1.1	WATER SERVICES	32
7.1.2	SANITATION	34
7.1.3	REFUSE REMOVAL AND SOLID WASTE MANAGEMENT	35
7.1.4	ELECTRICITY SERVICES	36

7.1.5	ENVIRONMENTAL HEALTH	37
7.1.6	LAND AND HOUSING	41
7.2	PUBLIC PARTICIPATION AND GOOD GOVERNANCE	42
7.2.1	INTERNAL AUDIT	42
7.2.2	AUDIT COMMITTEE	42
7.2.3	OVERSIGHT COMMITTEE	42
7.2.4	RISK MANAGEMENT, FRAUD AND CORRUPTION	42
7.2.5	WARD COMMITTEES.	43
7.2.6	COUNCIL COMMITTEES	43
7.2.7	COMMUNICATION STRATEGY	43
7.3	INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION	43
7.3.1	INFORMATION TECHNOLOGY (IT)	43
7.3.2	ORGANIZATIONAL STRUCTURE	44
7.3.3	VACANCY RATE	45
7.3.4	SKILLS DEVELOPMENT PLAN	45
7.3.5	HUMAN RESOURCE MANAGEMENT STRATEGY/PLAN	49
7.3.6	INDIVIDUAL PERFORMANCE AND ORGANIZATIONAL MANAGEMENT SYSTEMS	49
7.3.7	MONITORING, EVALUATION AND REPORTING PROCESSES AND SYSTEMS	49
7.3.8	INDIVIDUAL PERFORMANCE AND ORGANIZATIONAL MANAGEMENT SYSTEMS	49
7.3.9	MONITORING, EVALUATION AND REPORTING PROCESSES AND SYSTEMS	49
7.4	FINANCIAL VIABILITY	50
7.4.1	TARIFF POLICIES	50
7.4.2	RATES POLICIES	50
7.4.3	SCM POLICY – STAFFING	50
7.4.4	PAYMENT OF CREDITORS	50
7.4.5	AUDITOR GENERAL FINDINGS – ISSUES RAISED IN THE REPORT IF ANY	50
7.4.6	FINANCIAL MANAGEMENT SYSTEMS	50
7.5	LOCAL ECONOMIC DEVELOPMENT	51
7.5.1	LED STRATEGY	51
7.5.2	UNEMPLOYMENT RATE	51
7.5.3	ECONOMIC STRUCTURE AND FUNCTIONS	522
7.5.4	SOCIO-ECONOMIC CHARACTERISTICS	522
7.5.5	NALEDI MUNICIPALITY’S VISION FOR ECONOMIC DEVELOPMENT	532
7.6	LED STATUS QUO	544
8	DEVELOPMENT STRATEGIES AND GOALS	566
9	STRATEGIC OBJECTIVES AND STRATEGY ALIGNMENT	577
10	PROJECTS AND PROGRAMMES	711
PROJECTS TO BE IMPLEMENTED IN THE NALEDI LOCAL MUNICIPALITY		711
10.1	WATER	711
10.2	SANITATION	722
10.3	ROADS	733

10.4	REFUSE REMOVAL AND SOLID WASTE MANAGEMENT	744
10.5	LAND AND HOUSING	744
10.6	ENVIRONMENTAL HEALTH	755
10.7	FINANCIAL VIABILITY	777
10.8	LOCAL ECONOMIC DEVELOPMENT	777
10.9	SPECIAL PROGRAMMES	811
11	FINANCIAL PLAN	833
11.1	FINANCIAL STRATEGIES	833
11.2	GENERAL	844

1 FORWARD BY THE MAYOR



This document is a product of a very dynamic process of integrating various inputs from the community and relevant stakeholders. It represents the aspirations of our people who have taken upon themselves to devise means to develop themselves and be their own liberators.

Among the milestones that we have set for ourselves is to develop a credible IDP that will measure our success in this political term of office. We owe this to our electorate and the public at large to deliver services and projects that will make the slogan “better life for all” a reality.

Together with our management team, we have developed hands on approach to all that we do. We have cultivated a business attitude of ensuring that we delivery more with limited and scares resources.

The growth path enjoys us to prioritise job creation in our planning so that we can turn the corner around poverty, underdevelopment and unemployment. These are the three evils that this government in all spheres should fight and win. It is a difficult battle but not insurmountable!

Our IDP 2011/2017 document recognized the Free State provincial growth and development strategy and national spatial development perspective; all our government and transformation processes are informed by those plans because is the reflection of interests and aspiration of the broader community of Naledi, placing them in a position to can proudly confirm the clause in the freedom charter which says “the people shall govern” this confirmation is a result of broader confirmation.

The ANC led-government has made much progress in the past 17 years, by providing housing, water and electricity and accessible roads to our people.

As a custodian of council I would like to thank the general public for their massive participation in our IDP and other programmes, without your support, the municipality will not be able to provide quality

and sustainable basic services to the best interests of the community and achieve the objectives as outlined in the Integrated Development Planning.

Ms. M.M. Mahase
Speaker/Mayor – Naledi Local Municipality
FS 164

2 FOREWORD BY THE MUNICIPAL MANAGER



This document is a clear evidence of our efforts to produce a manuscript that represents the will of our people. 2012/ 2017 IDP will taken into consideration the National, Provincial and District priorities by aligning with the National Spatial development Framework, Free State Growth and Development Strategy including District IDP.

Our objectives and priorities clearly seeks to state how far we have gone and what needs to be done – much as we have realize the fact that our Turn Around Strategy and Outcome 9 documents also paves a way for the Municipality to inculcate a culture of monitoring and evaluation in the current conjuncture. The manner in which we have done certain things previously has also poses a threat to the administrative wing of the Municipality to our masses on the ground.

We further note with appreciation and commit ourselves to ensuring that we access the resources at our disposal in the form of programmes and funding that will help us realize our plan of action. The spirit of collaboration between Councillors and us as officials within the Municipality, spheres of government and parastatals is necessary to improve our capacity, build infrastructure and ensure sufficient delivery of services.

We are aware of the reality that our objectives in the IDP will not be realized unless all the Residents of Naledi, Councillors and Workforce work together – it is indeed a fact that **“Working together we can do more”**. We will continue to ensure the spirit of togetherness by taking services to the community that we serve.

The Municipality will continue to embark on public participation in order to plan with the people and not for the people. We are always thankful and enthralled by the participation you have shown in our stakeholders and sector departments meetings.

I would like to thank all Naledi Councillors, staff and our community members with their involvement in producing a true document of the *People by the People for the People*.

Mr.HA Goliath
Acting Municipal Manager – Naledi Local Municipality
FS 164

3 EXECUTIVE SUMMARY

Introduction

3.1 The Integrated Development Plan

Integrated Development Plan is a process through which the municipality prepares a strategic development plan, which extends over a five-year period. Integrated development plan as an instrument lies at the centre of the system of developmental local government in South Africa and represent the driving force for making municipalities more strategic, inclusive, responsive and performance orientated in nature. The IDP is the principal strategic planning instrument, which guides and informs all planning, budgeting, investment, development, management, and implementation in the medium-term decision-making. Each department is required to conduct a detailed annual service delivery and budget implementation plan that gives operational expression to the IDP.

The Senior Management Team and Middle Management Team are accountable for the implementation of the IDP, and this is reflected in our Performance Management System that links to the strategic framework. The municipality is required to consult with the communities and other stakeholders on its performance, and Naledi Local Municipality has made efforts to involve the community this year and the officials as well as politicians on the municipal performance.

3.2 Background to the Integrated Development Plan

The amalgamation of local authorities on 5 December 2000 has set a new era for local government. The White Paper on Local Government requires developmental local government to focus on the objects of local government as set out in section 152 of the Constitution; which gives effect to its developmental duties as required in section 153 of the Constitution; and, together with other organs of state, contribute to the progressive realization of the fundamental rights contained in sections 24, 25, 26, 27 and 29 of the Constitution in a sustainable and co-operative manner.

In addition to ensuring that all citizens have access to at least a minimum level of basic services, municipalities must now also take a leading role in addressing poverty and inherited inequalities. It is required of local municipalities to promote local economic development, social development and democracy in their area of jurisdiction. They must not only deliver on present demands, but also must anticipate future demands and find ways to provide services in an effective, efficient and sustainable manner.

Notwithstanding the above, municipalities must also incorporate a wide range of sectoral programmes into their own municipal development programmes, and comply with the requirements of various Acts. It is essential to apply the limited resources of council on the key development priorities of the local municipality. To meet all these challenges, municipalities need to adopt a strategic approach to planning and management. This is the essence of Integrated Development Planning (IDP).

The Local Government Municipal Systems Act, No 32 of 2000 requires that each municipality adopt a single, inclusive strategic plan for the development of the municipal area, which:

Link, integrate and co-ordinate plans and take into account proposals for the development of the municipal area;

- ❑ Aligns the resources and capacity of the municipality with the implementation of the plan;
- ❑ Forms the policy framework and general basis on which annual budgets must be based;
- ❑ Complies with the provisions of Chapter 5 of the said Act; and
- ❑ Is compatible with national and provincial development plans and planning requirements binding on the municipality in terms of legislation.

3.3 Role and Purpose of the IDP

The IDP is the single and inclusive strategic planning document for the municipal area. It therefore does not only inform the municipal management; it is also supposed to guide the activities of any agency from the other spheres of government, corporate service providers, NGOs and the private sector within the municipal area. The Naledi Local Municipality will therefore be accountable for the objectives related to their municipal mandate while other service providers and development agencies will be responsible for rendering appropriate services in terms of the non-core functions of the municipality.

The IDP is a statutory document once published for public comment and adopted by the Council. Section 35(1) of the Municipal Systems Act, No 32 of 2000, stipulates that the IDP binds the municipality in the exercise of its executive authority, except to the extent of any inconsistency between an IDP and national or provincial legislation, in which case such legislations prevails. It furthermore binds all other persons to the extent that those parts of the IDP that impose duties or affect the rights of those persons have been passed as a by-law. According to Section 36 of the same act the municipality must give effect to the IDP and conduct its affairs in a manner that is consistent with the IDP.

Section 35(2) stipulates that the Spatial Development Framework (SDF) contained in an IDP prevails over a plan as defined in section 1 of the Physical Planning Act, 1991. The SDF therefore guides future land use management in the area.

3.4 Policy and Legislative Context

The Constitution (1996) assigns the developmental mandate to local government. This implies that municipalities must strive to achieve the objects of local government within its financial and institutional capacity, namely:

- ❑ To promote democratic and accountable government for local communities.
- ❑ To ensure that provision of services to communities in a sustainable manner.
- ❑ To promote social and economic development.
- ❑ To promote a safe and healthy environment
- ❑ To encourage the involvement of communities and community organisations in the matter of local government.

It further requires of municipalities to structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community and to promote the social and

economic development of the community whilst participating in national and provincial development programmes.

The above mandate should therefore be captured in the IDP of the local municipality and therefore the stronger focus on local development programmes that address the needs of the community.

3.4.1.1.1 Approach to the IDP Review Process

The process adopted for the compilation of an IDP needs to encourage consultation and participation of a wide spectrum of interested and affected parties. The approach should therefore allow residents, communities, stakeholders, service providers and specialists to make a contribution to the content of the plan. Secondly, the plan should be strategic, therefore focusing on addressing priority issues, ensuring that limited resources are used effectively and efficiently and that strategic choices are made. The approach to be followed should thus allow for this. Thirdly, the plan should be implementation orientated. This implies that the plan should be concrete and specific in terms of the outcomes and outputs to be achieved while it needs to take into consideration the inputs required to make it happen. There should therefore be a close link between planning and budgeting.

It was therefore necessary to adopt an approach that allowed for all of the above processes to culminate into the integrated planning process required for the compilation of the IDP. It was decided that the sustainable livelihoods approach is best suited for this purpose. This approach focuses on the “assets” people have, the “outcomes” they desire and the strategies they choose to achieve these outcomes. The process also reviews the influences that external institutions or vulnerabilities may have on these people’s lives.

4 INTEGRATED DEVELOPMENT PLANNING OVERVIEW

4.1 Background

Section 26 (a) of the Municipal Systems Act (Act 32 of 2000) provides for the recognition and inclusion of the Municipal Council's vision with special emphasis on the critical development and internal transformation needs. The municipality's developmental strategy phase focuses on the future through the setting of objectives and appropriate strategies to achieve these objectives.

4.2 Vision

The municipality views the vision and mission statements as critical component for development. This is because certain steps were to be followed to have a credible vision and mission statements developed. The vision developed by the municipality reads as follows:

"A constantly progressive municipality where quality services and a healthy and safe environment empower the harmonised community to develop their own economic security in a sustainable local future for all."

4.3 Mission

To work as a committed team towards achieving the municipality's objectives by means of the following:

- ✎ **Ensure effective communication and consultation between all stakeholders**
 - ✎ **Improve our capacity in terms of resources**
 - ✎ **Absolute commitment towards the implementation of our plans, programmes and strategies**
 - ✎ **Strengthening our institutional capacity**
 - ✎ **Develop a clear understanding, interpretation and implementation of Local Government Legislation and Policies**
 - ✎ **Ensure proper accountability relating to clear roles and responsibilities.**
-

4.4 Values

The above stated vision and mission will be attained through the following set of core values.

- ↳ Democratic values
- ↳ Good governance
- ↳ Transparency
- ↳ Honesty
- ↳ Trust
- ↳ Equity
- ↳ Commitment
- ↳ Accountability
- ↳ Professional approach

4.5 Constitutional Powers and Functions of Naledi Local Municipality

Chapter 3 of Municipal Systems Act, 2000 states that a municipality has all the functions and powers assigned to it in terms of the Constitution, and must exercise them subject to Chapter 5 of the Municipal Structures Act, 1998. Furthermore, a municipality is empowered by legislation to do anything reasonably necessary for, or incidental to, the effective performance of its functions and the exercise of its powers.

Against this legislative directive, we understand and interpret our powers and functions aligned with objects of local government as set out in section 152 of the Constitution as follows:

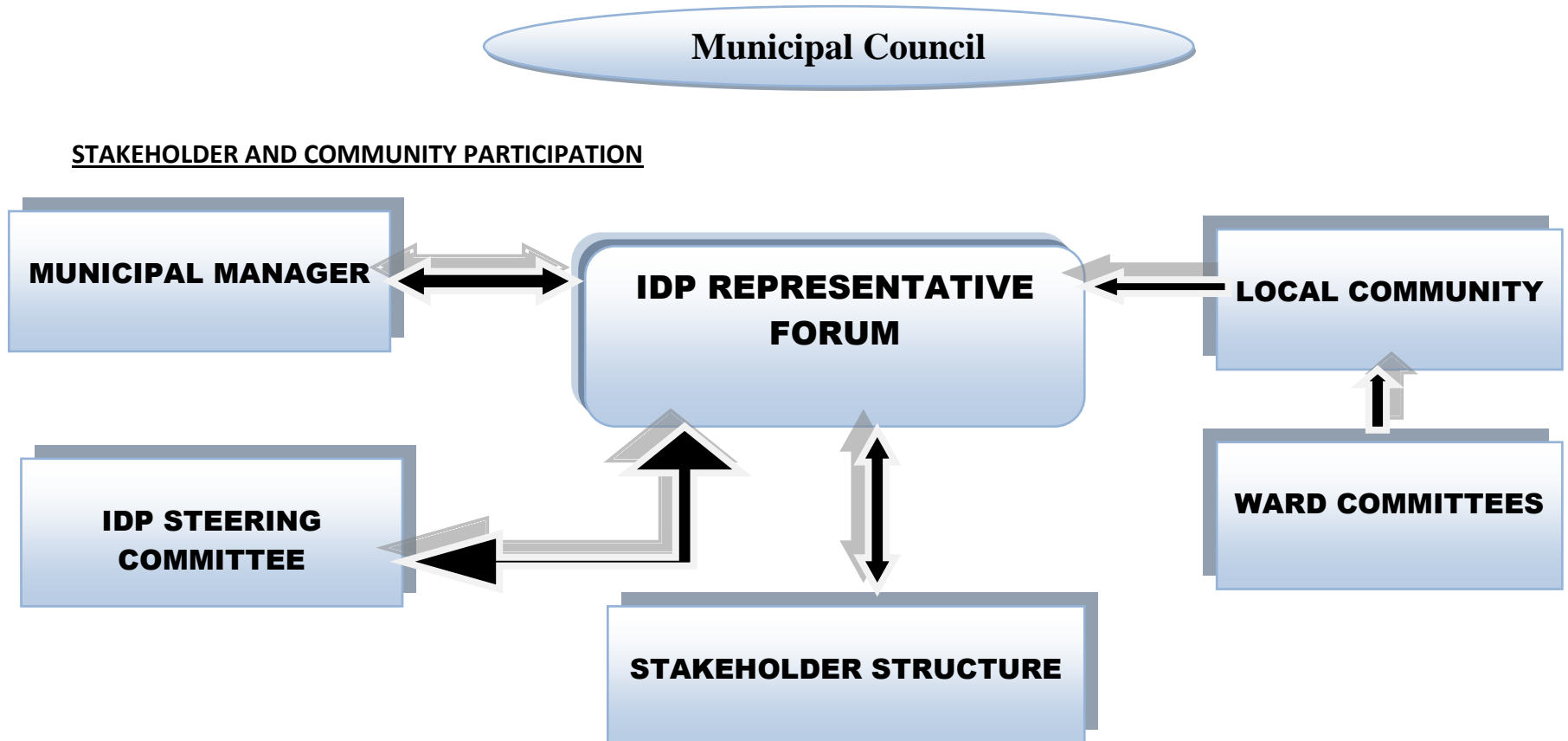
Table: Functions and Powers of Naledi Local Municipality

OBJECT OF LOCAL GOVERNMENT	OUR FUNCTIONS AND POWERS
↳ To provide democratic and accountable government for local communities	↳ Developmental municipal planning
↳ To ensure the provision of services to communities in a sustainable manner	↳ Building regulations ↳ Municipal airports ↳ Storm water drainages
↳ To promote a safe and healthy environment	↳ Cemeteries

	<ul style="list-style-type: none"> ↳ Local amenities ↳ Municipal roads ↳ Water and sanitation services ↳ Street lighting ↳ Traffic and parking ↳ Refuse removal and refuse dumps ↳ Cleansing ↳ Municipal health services ↳ Fire fighting ↳ Licensing of dogs ↳ Pounds ↳ Local sport facilities ↳ Municipal parks and recreation
↳ To promote social and economic development	<ul style="list-style-type: none"> ↳ Local tourism ↳ Street trading ↳ Trading regulations ↳ Sell food to the public ↳ Public places
↳ To encourage the involvement of communities and community organizations in the matters of local government.	<ul style="list-style-type: none"> ↳ Community participation ↳ Fair, equitable and transparent supply chain practices

4.6 IDP PROCESS OVERVIEW

The event centred approach



4.7 PROCESS PROGRAMME & TIMEFRAME

The Following outlines the 2012/ 2016 IDP and Budget development processes:

Preparation [Pre-Planning] Phase

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Consider comments and/or proposals received from MEC, if any, MSA s 32	Convene an IDP Steering Committee and analyse MEC's comments and/or proposals, if any.	IDP Steering Committee	Aug – Sep 2011
Consider comments and/or proposals from Councillors, Ward Committees and other key-role players that may have been received	Convene an IDP Steering Committee and analyse comments and/or proposals, if any.	IDP Steering Committee	Aug – Sep 2011
Establish method(s) of gathering of data and processing into decision-making information and Municipal turnaround strategy 2010/2011	Convene an IDP Steering Committee	IDP Steering Committee	Aug – Sep 2011
Presentation on Constitutional obligation powers and functions of the district to Council	Presentation on Constitutional obligation powers and functions of the district to Council	Provincial department / Municipal Manager	Aug – Sep 2011

Phase 1: Analysis

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Obtain adoption of IDP Review Process Plan	Convene a Special Council Meeting	Municipal Manager & Mayor	Aug - Sep 2011
Status Quo Analysis	Present status quo(incl Spatial Development Framework) report on Community and Municipal-wide issues	IDP Steering Committee	Sep – Oct 2011
Progress Report on 2010/2011 IDP Implementation	Present Outcome & Impact of 2010/2011 IDP Implementation	IDP Steering Committee	Sep – Oct 2011
Validation of existing level of development dynamics	Present existing level of development dynamics Representative Forum	IDP Steering Committee	Sep – Oct 2011

Document all Outputs	Deskwork	Manager: IDP & OPM Unit	Sep – Oct 2011
Development and alignment of IDP Sector plans & programmes as per the legislative requirements including Performance Management System	*Conduct an Audit of Existing Sector Plans and Programmes and Align to IDP *Develop Outstanding Sector Plans and Programmes and Align to IDP *Conduct an Audit of existing PMS and Align to IDP(move to analysis phase)	IDP Steering Committee	Sep – Oct 2011

Phase 2: Strategies

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Review of Naledi vision, Mission &, Values	Facilitate a meeting with IDP Steering Committee & Rep Forum	Manager: IDP & OPM Unit	Oct – Nov 2011
Review of Development Objective & Strategies	Facilitate a meeting with IDP Steering Committee & Rep Forum	Rep Forum : IDP & OPM Unit	Oct – Nov 2011

Phase 3: Projects

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Review of IDP projects & programmes	Facilitate a meeting with IDP Steering Committee & Rep Forum	Manager: IDP & OPM Unit	Oct – Nov 2011
Designing of IDP projects & programmes	Establish Project/Programme and Sectoral Task teams and assign responsibilities to design projects/programmes with clear deliverables	IDP Steering Committee	Oct – Nov 2011

Phase 4: Integration

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Integration & Alignment of IDP to Xhariep IDP, Provincial and National Plans and Programmes	1. Develop Financial strategies [Medium Term Expenditure Framework] including 2012/2013 Annual Budget	IDP Steering Committee	Feb - Mar 2012
Integration & Alignment of IDP to Xhariep IDP, Provincial and National Plans and Programmes	2. Align to Spatial development framework (Xhariep DM & Free State) 3. Align to Free State Growth Development Strategy 4. Align to National Spatial Development Perspective	IDP Steering Committee	Feb - Mar 2012

Phase 4: Integration (Continues)

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Document Output and Incorporate Budget Process as per applicable MFMA Circular	Deskwork Internal Consultation External Consultation Adjust to Approved Budget Process	Manager: IDP& OPM Unit	Feb - Mar 2012
Publication of draft IDP 2012/16 Budget for public comment	Advertise through Express, Volksblad, The Weekly, Public Eye, Xhariep Independent, Sports-Eye, Seipone and Municipal Notice Boards for 21 days	Manager: IDP & OPM Unit	Mar - April 2012
Tabling of draft IDP 2012/16 Budget for final Approval	Convene a Special Council Meeting	Municipal Manager & Mayor	April – May 2012

Phase 5: Approval

DELIVERABLE	ACTION(S) TO BE TAKEN	RESPONSIBLE PARTIES	TIME-FRAME(S)
Obtain approval of Draft IDP 2011/12 & 2011/12 Annual Budget	Convene a Special Council Meeting	Municipal Manager & Mayor	March - April 2012
Consideration of public comment	Consider and Incorporate Public Comments	Manager: IDP & OPM Unit	March - April 2012
Development and submission of Service Delivery &	Develop and Implement Support Systems and	Municipal Manager	May 2012

Budget Implementation Plan & Annual Performance Agreements by Municipal Manager to the Mayor for consideration	Mechanisms, Commit Resources (Capital, Human and Physical) Build Capacity of Council and Officials		
IDP Implementation, Monitoring and Review	Constantly Implement, Monitor and Review Implementation of Naledi IDP then Report to Relevant Stakeholders and the Public	All	Immediately

NB: IDP STEERING COMMITTEE, CHAIRED BY THE MAYOR OR THE DELEGATED INCUMBENT, IS COMPOSED OF THE SPEAKER/ MAYOR, CHAIRPERSON: IDP & PERFORMANCE MANAGEMENT COMMITTEE, ALL COUNCILLORS, MUNICIPAL MANAGEMENT

THE IDP REPRESENTATIVE FORUM MEMBERS INCLUDE ALL WARD COMMITTEE MEMBERS, COMMUNITY DEVELOPMENT WORKERS, SECTOR DEPARTMENTS, XHARIEP DISTRICT MUNICIPALITY, NGO'S, CBO'S, AND PARASTATALS

The above events were designed in line with the IDP methodology in terms of:

- The analysis information (including ward feedback reports) formed the basis of identifying the important development issues of Naledi Local Municipality;
- Issues were transferred to priority tables to determine the most urgent and necessary to do;
- Objectives are based on the clustering of priorities;
- Each objective is supported by a number of measurements that clarifies / describes the nature of the objective
- In the interest of measurability, the measurements stipulates quantifiable baselines and targets for the next two years
- Strategies are formulated to operationalise the objectives and in turn projects are designed as the implementation component of the plan

The design of the process was influenced by the:

- Credible IDP Evaluation Framework- 2006
- 5 Year Local Government Strategic Framework
- MFMA - Treasury Regulations 13: SDBIP
- Alignment to the NSDP and PGDS priorities
- Municipal Turnaround strategy.

The influence of the above is visible in terms of the content of the IDP (analysis / objectives and project phase) as all elements are organized according to the 5 National Key Performance Areas:

- Infrastructure and Basic Services
- Socio-economic Development
- Institutional Transformation
- Good Governance and Public Participation
- Financial viability and management

In addition, the project register incorporate ward specific outputs to support the formulation of the SDBIP by July 2012, objectives are supported by baseline and targets for the purpose of PMS alignment and the checklist for the credible IDP was used during the integration phase to highlight gaps and omissions.

This document represents the strategic plan of the Municipality for the following 5 years. The content of the planning document does not represent an additional workload that should be funded over and above the current work of the municipality as the objectives and projects are aligned to the powers and

functions of the municipality. It also does not only refer to capital projects but many of the projects reflect the on-going work of the municipality as it is intended.

4.7.1 Analysis Phase

The analysis phase concentrated on identifying and analysing needs with the municipality. The goal of the phase was to form the foundation for further phases of the IDP. The analysis phase was completed September 2011.

4.7.2 Strategy Phase

The strategy section consisted of strategic reasoning and debate around the problems identified during the previous phase. The goals were to design objects and strategies that best addressed the problems and needs with the available resources of the municipality and support institutions. This phase was completed during November 2011. The vision and Mission of the municipality was reaffirmed through the IDP process and the Municipal Core Values were also reaffirmed during this phase.

4.7.3 Project Phase

The project phase consisted of the designing of projects in line with the strategies. This phase resulted in arrange of projects prioritised for three financial years. Some are funded others not. The phase was completed during the month of February 2012 and all relevant stakeholders and partners agreed upon the projects contained.

4.7.4 Integration Phase

The integration phase has the goal of ensuring that the IDP priorities and projects are aligned with other existing sector plans of the municipality. The integrated plans and programmes were confirmed with all relevant sector department and stakeholders.

4.7.5 Approval Phase

The approval phase consisted of the preparation of the draft IDP document, obtaining final comments, inputs and tabling before the Naledi Local Municipality council for final approval and implementation.

4.8 Community and stakeholder priority issues

The following list of priority issues were identified by communities and stakeholders and represent a general trend of service delivery needs in most of the wards that were consulted.

#	Community and Stakeholders Priority Issues	Wards that Identified Issues
1	Water	All wards identified the issues as prioritised but in
2	Sanitation	
3	Electricity	

4	Roads and Storm water	different combinations. Generally, sanitation and roads and storm water were identified as the main priorities.
5	Community Facilities	
6	Housing and Land	
7	Local Economic Development	
8	Education	
9	Waste Management	
10	Health	
11	Safety and security	
12	Social Welfare	
13	Environmental Management and Conservation	

5 Overview of the Municipality

The Naledi Local Municipality was established in terms of Section 14 of the Local Government: Municipality Structure Act, Act No 117 of 1998 and was published in Provincial Gazette no 109 dated 28 September 2000. This Local Municipality is a category B municipality with a plenary executive system as contemplated in Section 3(b) of the Determination of Types of Municipality Act, 2000 (Act No 1 of 2000).

The powers and functions assigned to the Municipality are stipulated in sections 156 and 229 of the Constitution and Sections 83 and 84 of the Local Government: Municipal Structures Act, 1998

5.1 Institutional Profile-Political component (Plenary Council)

The Council of Naledi Local Municipality consists of a total of 8 councilors, 4 of which are ward councilors and 4 Proportional Representative Councilors, Only the mayor/speaker is full-time.

5.2 Composition, Boundaries and Size

Naledi is situated in the south eastern Free State, and forms part of Xhariep District Municipality area. The local municipality area measures 11 933.24 km² and comprises the former TLCs of Dewetsdorp, Wepener, Van Stadensrus, as well as a part of the former South East, Central South and Bloem area District TLCs. The individual sizes of these areas are indicated in the table below:

Composition and size of municipal area

COMPONENT	SIZE (Km ²)
Dewetsdorp	2 511.43
Wepener & Van Stadensrus	1 749.15
Farmland	7 672.66
TOTAL	11 933.24

Source: Naledi Local Municipality SDF, 2005

5.3 Population Profile

The population size within the entire municipal area is estimated at 21 145 people for 2007/2008 financial year, as indicated in the table below:

Population Profile

NALEDI	PROJECTED COMMUNITY POPULATION PER ANNUM							
	BASELINE	2003/ 2004	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008 Est.	2008/ 2009 Est.	2009/ 2010 Est.
Wepener	1 945	1 969	1 992	2 016	2 038	2 061	2 082	2 104
Ebenhaezer hoogte	916	927	938	949	960	970	981	991
Qibing	5 123	5 186	5 248	5 309	5 369	5 428	5 485	5 541
Kanana	2 063	2 088	2 113	2 138	2 162	2 186	2 209	2 231
DEWETSDORP	1 067	1 080	1 093	1 106	1 118	1 130	1 142	1 154
Morojaneng	7 826	7 922	8 017	8 110	8 202	8 291	8 379	8 465
Van Stadensrus	141	143	144	146	148	149	151	153
Thapelong	878	889	899	910	920	930	940	950
TOTAL	19 959	20 205	20 446	20 684	20 917	21 145	21 370	21 589

Source: Statistic SA, Community Survey 2007

From the above information, it is evident that the population is fairly evenly spread across the two larger towns of Dewetsdorp and Wepener. There is however no definite predominant urban concentration of people, although Wepener has fairly higher population numbers. There is a constant increase in migration of people from the rural areas to the towns and this creates pressure on urban infrastructure and services.

5.4 General Statistical Figures as per Statistics SA 2007

Naledi by population group and gender

FS 164 NALEDI TOTAL	AFRICAN	COLOURED	INDIAN /ASIAN	WHITE	TOTAL
MALE	11, 848	484	52	843	13,226
FEMALE	12,936	451	42	823	14,252
TOTAL	24,784	935	94	1,666	27,478

Table 1.5.4: Industry by geography for person weighted, 16-35

INDUSTRY	FS 164 NALEDI	FREE STATE
Agriculture, hunting, forestry & fishing	800	48,095
Mining & quarrying	7	13,949
Manufacturing	37	25,063
Electricity, gas & water supply	39	1,459
Construction	96	8,831
Wholesale & retail trade	200	37,840
Transport, storage & communication	34	8,548
Financial, insurance, real estate and business service	62	17,474
Community, social and personal services	-	18
Private households	437	27,428
Undetermined	434	21,732
NA	6,960	724,024

Population education levels:

Population in terms of Education Levels			
		Male	Female
Grade 0 - Attained grade 12; out of class but not completed grade 12	Black	7275	9062
	Coloured	256	194
	Indian or Asian	59	23
	White	179	100
Grade 12/Std 10/NTC III (without university exemption) - Certificate with grade 12	Black	1005	860
	Coloured	-	-
	Indian or Asian	3	23
	White	319	409
Diploma with grade 12 - Post graduate diploma	Black	80	134
	Coloured	-	-
	Indian or Asian	-	-
	White	111	134
Honour's degree - Higher degree (masters/PhD)	Black	-	25
	Coloured	-	-
	Indian or Asian	20	-
	White	54	5

Types of dwellings/ houses:

Type of dwelling for Household FS164: Naledi Local Municipality	
	Number of House Holds
House or brick structure on a separate stand or yard	6132
Traditional dwelling/hut/structure made of traditional materials	212
Flat in block of flats	52
Town/cluster/semi-detached house (simplex: duplex: triplex)	-
House/flat/room in back yard	95
Informal dwelling/shack in back yard	167
Informal dwelling/shack NOT in back yard e.g. in an informal/squatter settlement	1484
Room/flatnot in back yard but on a shared property	74
Caravan or tent	-
Private ship/boat	18
Workers' hostel(bed/room)	24

Access to water per household:

Access to water for Household FS164: Naledi Local Municipality	
Piped water inside the dwelling	4145
Piped water inside the yard	3534
Piped water from access point outside the yard	434
Borehole	136
Spring	-
Dam/pool	-
River/stream	-
Water vendor	12
Rain water tank	-

Refuse Disposal per household:

Refuse disposal for Household - Naledi Local Municipality	
Removed by local authority/private company at least once a week	6553
Removed by local authority/private company less often	50
Communal refuse dump	48
Own refuse dump	1501
No rubbish disposal	127

Disability and Population group by Gender FS164: Naledi Local Municipality		Gender	
		Male	Female
Sight	Black	65	111
	Coloured	-	-
	Indian or Asian	-	-
	White	46	33
Hearing	Black	32	67
	Coloured	-	-
	Indian or Asian	-	-
	White	-	-
Communication	Black	23	32
	Coloured	-	-
	Indian or Asian	-	-
	White	23	-
Physical	Black	256	211
	Coloured	-	19
	Indian or Asian	-	-
	White	11	-
Intellectual	Black	48	45
	Coloured	-	20
	Indian or Asian	-	-
	White	-	-
Emotional	Black	45	113
	Coloured	-	-
	Indian or Asian	-	-
	White	-	-
Multiple disabilities	Black	-	45
	Coloured	-	-

5.5 Compilation of wards and registered voters

The Naledi area of jurisdiction consists of 4 wards with a total of 13 054 registered voters. The distribution of these voters amongst the different voting wards is indicated below:

Ward 1: 3 750 voters

Ward 2: 3 077 voters

Ward 3: 3 078 voters

Ward 4: 3 149 voters

[Source: Based on Naledi Independent Electoral Office Dewetsdorp: (May 2011)]

6 Summary of service delivery backlog issues:

BASIC SERVICES		
	1.3.1. Roads	
	<div><div><input type="checkbox"/> Development of roads infrastructure maintenance plan</div><div><input type="checkbox"/> Construction of roads and storm water infrastructure</div><div><input type="checkbox"/> Procurement of Earth moving Plant/ vehicles dedicated for roads and storm water</div><div><input type="checkbox"/> Construction of speed humps in identified areas.</div><div><input type="checkbox"/> Re-gravelling of streets in all three towns</div></div>	
	1.3.2. Water	1.3.2. Water
	<div><div><input type="checkbox"/> Provision of portable water to high lying areas in Dewetsdorp and Vanstadensrus</div><div><input type="checkbox"/> Provision of water meters to 2000 ervens in Wepener and Dewetsdorp</div><div><input type="checkbox"/> Provision of water infrastructure to 1300 ervens in all three towns</div><div><input type="checkbox"/> Upgrading of water treatment works in Vanstadensrus</div><div><input type="checkbox"/> Resuscitation of two boreholes in Wepener</div><div><input type="checkbox"/> Development of Water services Plan</div><div><input type="checkbox"/></div></div>	<div><div><input type="checkbox"/> Provision of Water Master Plan</div><div><input type="checkbox"/> Provision of Operations and maintenance Plan</div><div><input type="checkbox"/> Provision of Risk Abatement Plan</div></div>
	1.3.3. Sanitation	1.3.3. Sanitation
	<div><div><input type="checkbox"/> Provision of Waste Water Risk Abatement Plan</div><div><input type="checkbox"/> Provision of Operations and maintenance Plan</div><div><input type="checkbox"/> Provision of Waste Water infrastructure to 1300 ervens in all three towns</div></div>	<div><div><input type="checkbox"/></div></div>
	1.3.4. Electricity	
	<div><div><input type="checkbox"/> Provision of Electricity to 1300 Ervens in all three towns</div><div><input type="checkbox"/> Provision of high mast lights in Identified areas</div></div>	
1.6. HOUSING		

<ul style="list-style-type: none"> <input type="checkbox"/> Housing supply Dewetsdorp 339 (as per the current waiting list) <input type="checkbox"/> Formalisation of 50 sites in Dewetsdorp <input type="checkbox"/> Erven numbering (in line with Surveyor General Map) in three towns 	<ul style="list-style-type: none"> <input type="checkbox"/> Housing supply Wepener 224 (as per the current waiting list) <input type="checkbox"/> Formalisation of 30 sites Van Stadensrus <input type="checkbox"/> Sites/houses for public servants <input type="checkbox"/> Development of Housing Sector and Spatial Development Framework 	<ul style="list-style-type: none"> <input type="checkbox"/> Housing supply 101 Van Stadensrus (as per the current waiting list) <input type="checkbox"/> Acquisition of land (Van Stadensrus) <input type="checkbox"/> Provision for Housing Unit Personnel <input type="checkbox"/> Refurbishment of Municipal Buildings in Dewetsdorp and Wepener
4. INSTITUTIONAL TRANSFORMATION		
<ul style="list-style-type: none"> <input type="checkbox"/> Management should ensure that they adhered to Section 78 of the MFMA (Leadership) <input type="checkbox"/> Development, Review and implementation of Service Level Agreements <input type="checkbox"/> Development of IT disaster recovery plan <input type="checkbox"/> Development of policies and procedures regarding Technical Standards 	<ul style="list-style-type: none"> <input type="checkbox"/> Development of Website <input type="checkbox"/> Implementation of effective HR management to ensure that adequate and sufficiently skilled resources are in place and that performance is monitored <input type="checkbox"/> Management should ensure that they adhere to Section 78 of the MFMA <input type="checkbox"/> Compilation of a register regarding Contingent Liabilities and supporting documentations thereof in order to disclosure note in the financial statements <input type="checkbox"/> Support the municipality on conduction of work-study. <input type="checkbox"/> Implementation of PMS. 	<ul style="list-style-type: none"> <input type="checkbox"/> Development of by-laws
5. GOOD GOVERNANCE AND TRANSFORMATION		
<ul style="list-style-type: none"> <input type="checkbox"/> Ensure public participation structures are functional e.g. ward committees. <input type="checkbox"/> Ensure that CDW's are effective. <input type="checkbox"/> Ensure that ward public meetings are convened. <input type="checkbox"/> Ensure that Local Imbizos are convened. <input type="checkbox"/> Ensure participation of all councillors in IDP and Budget process. 	<ul style="list-style-type: none"> <input type="checkbox"/> Train Naledi ward committee. <input type="checkbox"/> Enter into a service level agreement with Naledi on the use of CDW's. <input type="checkbox"/> Support the municipality during local Imbizos. 	<ul style="list-style-type: none"> <input type="checkbox"/> Train Naledi ward committees. <input type="checkbox"/> Cooperate with CDW's. <input type="checkbox"/> Help with coordination of public meeting and Imbizos.
<ul style="list-style-type: none"> <input type="checkbox"/> Support management on IDP implementation initiatives. 	<ul style="list-style-type: none"> <input type="checkbox"/> Support the municipality of policy development. <input type="checkbox"/> Support the municipality on by-law formulation and 	<ul style="list-style-type: none"> <input type="checkbox"/> Review of municipal policies. <input type="checkbox"/> Development of by-laws.

	<p><i>proclamation process.</i></p> <ul style="list-style-type: none"> <input type="checkbox"/> <i>Support the municipality on organisational design.</i> <input type="checkbox"/> <i>Support the municipality on conducting work-study.</i> <input type="checkbox"/> <i>Support the municipality to improve the IDP rating from medium to high.</i> <input type="checkbox"/> <i>Support the municipality to improve its section 46 report in terms of the MSA.</i> <input type="checkbox"/> <i>Support the municipality to improve its section 121 of the MFMA.</i> <input type="checkbox"/> <i>Implementation of PMS.</i> 	<ul style="list-style-type: none"> <input type="checkbox"/> <i>Conduct organisational design.</i> <input type="checkbox"/> <i>Conduct work-study.</i> <input type="checkbox"/> <i>Improve the quality of the IDP (Train Staff in IDP Unit)</i> <input type="checkbox"/> <i>Prepare section 46 report.</i> <input type="checkbox"/> <i>Prepare section 121 report.</i> <input type="checkbox"/> <i>Implement PMS.</i>
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Summary of service delivery backlog issues:

FINANCIAL VIABILITY MANAGEMENT		
	1.3.1 Financial and Performance Management	1.3.2. Lack of adequate Human Resources
	<ul style="list-style-type: none"> <input type="checkbox"/> <i>Implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting</i> <input type="checkbox"/> <i>Implement controls over daily and monthly processing and reconciling of transactions</i> <input type="checkbox"/> <i>Prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information</i> <input type="checkbox"/> <i>Review and monitor compliance with applicable laws and regulations</i> <input type="checkbox"/> <i>Design and implement formal controls over IT systems to ensure the reliability of the systems and the availability, accuracy and protection of information</i> 	<ul style="list-style-type: none"> <input type="checkbox"/> <i>Competency levels - ensure plans enable finance officials to meet minimum competency levels in terms of Regulation</i> <input type="checkbox"/> <i>Appointment of qualified personnel</i> <input type="checkbox"/> <i>Training of staff regarding financial system</i>
	1.3.2. Assets Management	1.3.3. SCM
	<ul style="list-style-type: none"> <input type="checkbox"/> <i>Updating of GRAP Compliance Asset Register</i> <input type="checkbox"/> <i>Unbundling of infrastructure assets</i> <input type="checkbox"/> <i>Reconciliation of General Ledger with Asset Register</i> 	<ul style="list-style-type: none"> <input type="checkbox"/> <i>Review structure & representation of Specification Committee, Evaluation Committee and Adjudication Committee</i> <input type="checkbox"/> <i>Implementation of SCM policy & Regulations</i> <input type="checkbox"/> <i>Ensure unsolicited bids are dealt with in accordance with s113 of MFMA & Regulations</i>

		<input type="checkbox"/> <i>Prepare & implement procurement plan for current operation & capital expenditure</i>
	1.3.4. Operation Clean Audit 2014	1.3.5. Revenue Management
	<input type="checkbox"/> <i>Implementation of Audit Action Plan</i> <input type="checkbox"/> <i>Compliance with MFMA</i> <input type="checkbox"/> <i>Monitoring completion of MFMA implementation priorities</i>	<input type="checkbox"/> <i>Develop debt recovery strategy</i> <input type="checkbox"/> <i>Debtors Cleansing exercise</i> <input type="checkbox"/> <i>Update indigent Register</i> <input type="checkbox"/> <i>Charged interests on arrears, unless otherwise agreed</i>
	1.3.6 Expenditure Management	
	<input type="checkbox"/> <i>Ensure all expenditure is incurred in terms of the budget & within limits of budget votes</i> <input type="checkbox"/> <i>Ensure proper record keeping is implemented</i> <input type="checkbox"/> <i>Payment of disputes are recognized and appropriately resolved</i> <input type="checkbox"/> <i>Ensure that payments are paid within 30 days</i> <input type="checkbox"/> <i>Salaries are reconciled monthly</i> <input type="checkbox"/> <i>Clearing of suspense accounts</i>	

7 MUNICIPAL SERVICE DELIVERY STATUS QUO

7.1 Service Delivery and Infrastructure Development

7.1.1 Water Services

The municipality is a Water Service Authority and has signed a service level agreement with Bloemwater which supplies water to Dewetsdorp and Wepener, the water supply in these two towns is supplemented with water from municipal boreholes. Vanstadensrus is solemnly supplied with water from the boreholes. The development of the Water Service Development Plan is in the process of review and will be submitted to council for approval.

Name of settlement	Number of households	Service level			Challenges/Risk	Intervention required
		Above RDP	Below RDP	No service at all		
Vanstadensrus	725	725	-	-	Insufficient raw water supply and treatment Ageing infrastructure Shortage of bulk water supply to cater new development (kgotsong)	Upgrading of the water purification plant Development of water infrastructure maintenance plan. Upgrading of reticulation network. Resuscitation of one boreholes to supply the new development area.
Wepener						

Wepener	4050	4050	-	-	<p>Lack of bulk water supply</p> <p>Lack of Maintenance of existing boreholes</p> <p>Poor quality of water from boreholes</p> <p>Lack of pressure in high laying areas</p> <p>Ageing infrastructure in Wepener town</p> <p>No zonal and end-user water meters.</p>	<p>Engage Bloem Water to increase bulk water supply</p> <p>Repair and maintenance of 2 existing boreholes</p> <p>Install chlorinator in 1 borehole next to town hall</p> <p>Develop and implement Water Infrastructure maintenance Plan</p> <p>Procure and installation of 800 water meters. Installation of zonal meters.</p>
Dewetsdorp						
Dewetsdorp	3476	3476	-	-	<p>Insufficient bulk water supply.</p> <p>Poor quality of water from boreholes</p> <p>Lack of pressure in high laying areas</p> <p>Ageing infrastructure in town</p> <p>No zonal and end-user water meters.</p>	<p>Engage Bloem Water to increase bulk water supply. Installation of elevated tank and interlinking pipeline.</p> <p>Install sampling points in all boreholes</p> <p>Installation of elevated tank and interlinking pipeline.</p> <p>Develop and implement Water Infrastructure maintenance Plan</p> <p>Procure and installation of 1200 water meters</p>

7.1.2 Sanitation

Name of settlement	Number of households	Service level			Challenges/Risk	Intervention required
		Above RDP	Below RDP	No service at all		
Vanstadensrus	745	745	-	-	Usage of septic tanks Lack proper equipment/vehicles to service septic tanks	Engage with the relevant sector department to fast track completion of the sewer network project.
WEPENER	4050	4050	-	-	Lack of maintenance of 5 existing Sewer Pump Stations. Vandalism of sewer pump station Lack of maintenance of waste water treatment works No dedicated structure for sanitation services Lack of equipment/vehicles for sanitation services. New development area in Wepener. Aging infrastructure.	Refurbishment of the sewer pump station Install security measures Refurbishment of waste water treatment works Review the organizational structure and replace retirees and deceased personnel. Procure relevant equipment/vehicles for sanitation services. Installation of infrastructure in the new development area. Develop and implement infrastructure master plan.

Dewetsdorp	3476	3326	150	-	<p>Aging infrastructure.</p> <p>New development area in Morojaneng.</p> <p>Lack of dedicated structure for sanitation services.</p> <p>150 households without full water borne sanitation in hillside.</p>	<p>Develop and implement infrastructure master plan.</p> <p>Installation of infrastructure in the new development area.</p> <p>Review the organizational structure and replace retirees and deceased personnel.</p> <p>Request recommendation from DWA for project registration with MIG.</p>
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7.1.3 Refuse removal and solid waste management

Name of settlement	Number of households	Service level			Challenges/Risk	Intervention required
		Above RDP	Below RDP	No service at all		
WEPENER	4050	4050	0	0	<p>Lack of equipment/ vehicles dedicated for refuse removal.</p> <p>Lack of personnel dedicated for refuse removal.</p> <p>Illegal dumping</p> <p>Lack of management of the land fill site.</p>	<p>Procurement of the refuse truck, refuse skips and land Bulldozer.</p> <p>Review of organizational structure to cater for refuse removal and solid management.</p>
Van Stadensrus	745	745	0	0	<p>Lack of equipment/ vehicles dedicated for refuse removal.</p> <p>Lack of personnel</p>	<p>Procurement of the refuse truck, refuse skips and land Bulldozer.</p> <p>Review of organizational</p>

					dedicated for refuse removal. Illegal dumping Lack of management of the land fill site.	structure to cater for refuse removal and solid management.
Dewetsdorp	3476	3476	0	0	Lack of equipment/ vehicles dedicated for refuse removal. Lack of personnel dedicated for refuse removal. Illegal dumping Lack of management of the land fill site.	Procurement of the refuse truck, refuse skips and land Bulldozer. Review of organizational structure to cater for refuse removal and solid management.

7.1.4 Electricity services

Name of settlement	Number of households	Service level			Challenges/Risk	Intervention required
		Above RDP	Below RDP	No service at all		
Naledi Local Municipality	8271	8271	-	-	No sufficient power supply	The Xhariep District Municipality is intending to construct a Solar Power Station in the Xhariep District area to supply the whole Free State.
Vanstadensrus	745	745	-	-	No Sufficient street lighting Electrification of new Development in	Installation of street lights and high mast lights in Thapelong Installation of Electrical bulk supply at the new

					Thapelong	development.
Wepener	4050	4050	-	-	No Sufficient street lighting Electrification of new Development in Qibing	Installation of street lights and high mast lights in Qibing Installation of Electrical bulk supply at the new development.
Dewetsdorp	3476	3476			No Sufficient street lighting Electrification of new Development in Morojaneng	Installation of street lights and high mast lights in Morojaneng Installation of Electrical bulk supply at the new development.

7.1.5 Environmental health Services

Description	Status Quo	Service level			Challenges/Risk	Intervention required
		Above RDP	Below RDP	No service at all		
Water and sanitation quality monitoring.	Collecting water samples from 11 points and effluent samples from 4 points monthly.	8 271	0	0	Budgeting, water monitoring and office equipment. Timorous detection of poor water quality. Under budgeting for water and sanitation sampling.	Establishment of operational local laboratories. Increase budget as informed by needs analysis.
Environmental pollution control.	>Noise Pollution The municipality performs the function as and when required.	0	0	0	Lack of equipment to perform the function.	Procurement of necessary equipment.

	<p>><u>Air pollution</u> Conducting awareness campaigns.</p> <p>><u>Water pollution</u> Conducting awareness campaigns.</p> <p>><u>Land pollution</u> Conducting awareness campaigns.</p>				<p>Burning of tyres and refuse.</p> <p>Veld fires.</p> <p>Dumping of foetus, dead animals, illegal dumping, agricultural waste and municipal waste water plants.</p> <p>Spillage of oils, pollution wet lands, over grazing, soil erosion.</p> <p>Disintegrated planning.</p>	<p>Bylaws, conduct training of Peace Officers for purpose of issuing fines.</p> <p>Conduct awareness campaigns, enforcement through bylaws. Engage with relevant stakeholders.</p> <p>Encourage recycling of waste oils; preserve the wet lands, enforcement of bylaws and awareness campaigns (IGR). Greening campaign.</p> <p>Encourage cooperation between departments.</p>
Food control	<p>Business premises inspections.</p> <p>Investigation of outbreaks.</p> <p>Collect food samples on request by National Department.</p> <p>Collect milk samples quarterly.</p> <p>Issuing of certificate of acceptability.</p>				<p>Hostile reception, threats and lack of cooperation.</p> <p>No budget and equipment for food sampling.</p> <p>Possible hindrance towards sampling of milk</p> <p>Non-compliance from applicants. Residing on business premises.</p> <p>Exhumation of buried foodstuff.</p>	<p>Awareness campaign through chamber of commerce.</p> <p>Provide budget in line with needs analysis.</p> <p>Enforcement of bylaws.</p> <p>Issuing of restriction order for non-complying.</p> <p>Securing municipal landfill site and feeding of pigs.</p>

	Condemnation of foodstuffs. Law enforcement.				Unavailability of bylaws.	Development of bylaws.
Vector control	Conducting awareness campaigns.				Illegal dumping. Ignorance of community. Rodents at municipal premises.	Develop bylaws and enforce the law. Establishment of pest control unit. Enforcement of relevant laws OHS, NEMA and Health act.
Health surveillance of premises	Conducting inspections on identified premises. Conducting joint operations with SAPS and customs. Monitoring of overcrowding.				Non-compliance. No identification cards for municipal official to perform duties efficiently. Animal keeping in residential areas. Overcrowding at crèches, and hostels. No communication with social development. Approved building plans in contrast with Health requirements Municipal buildings not compliant with the Health Act	Law enforcement. Budgeting for provisional identification documents. Obtain council resolution. Development of commonage and law enforcement. Engage with relevant provincial departments through IGR structures. A coordinated and integrated planning. Ensure compliance with relevant laws.
Surveillance and prevention of	Investigating and reporting cases.				Safety of Health practitioners.	Provision for protective clothing, training and

communicable diseases	Awareness campaigns.				<p>Late reporting of cases.</p> <p>Unable to collect specimen and samples.</p> <p>Stray animals from other countries.</p>	<p>improved communication with premises owners.</p> <p>Engage with provincial departments and victims.</p> <p>Provide sufficient budgeting.</p> <p>Cross boarder meetings</p>
Disposal of the dead	<p>11 cemeteries in place, 5 not operational.</p> <p>Exhumation and reburial of the corpse per application.</p> <p>Pauper burials.</p> <p>Conduct inspection at funeral parlours.</p>				<p>Unavailability of land. Illegal burials.</p> <p>Struggle to locate the grave due to records not corresponding with grave locations.</p> <p>Application of non-qualifying beneficiaries including illegal immigrants.</p> <p>Non-cooperation with relevant departments.</p>	<p>Control access to graveyards and develop graveyard management plan.</p> <p>Review the policy.</p> <p>Law enforcement, awareness campaigns. Encourage cooperation through IGR structures.</p>
Chemical safety	Monitor business for compliance of the handling and disposal of chemicals.				Handling and selling of chemical without applicable licence.	<p>Coordination and integrated planning.</p> <p>Enforcement of bylaws.</p> <p>Proper storage of chemicals. (this is a core function of the provincial department of health)</p>

7.1.6 Land and housing

Naledi Local Municipality					
Name of settlement	Number of households	No of backyard dwellers	No. of available erven as per SDF	Challenges/Risk	Intervention required
Dewetsdorp	3170	2300	3330	Lack funding for the connection of infrastructure in new developments.	Source funding from relevant provincial departments (COGTA & HS)
Wepener	3925	2325	4195		
Van Stadensrus	450	400	614	<p>Insufficient land for human settlements.</p> <p>Lack of adequate office space for the municipal buildings.</p> <p>Lack of internal capacity to review/ develop housing sector plan and spatial development framework.</p> <p>Incorrect site numbering in all towns.</p> <p>No internal capacity for town planning/ building inspection management.</p> <p>Lack of funding for construction of low & middle cost houses</p>	<p>Request the MEC / rural development and land reform for intervention.</p> <p>Source funding from relevant sector departments for upgrading of the municipal buildings</p> <p>Request the relevant sector department to intervene in the development of sector plans.</p> <p>Updating of the municipal housing database.</p> <p>Review the organizational structure to establish town planning division.</p> <p>Source funding from provincial departments (COGTA & HS)</p>

7.2 Public Participation and Good Governance

7.2.1 Internal audit

In terms section 165 of Municipal Finance Management Act, each municipality must have internal audit unit, and must prepare a risk based internal audit plan and an internal audit program for each financial year; advise the accounting officer and report to the audit committee.

The municipality has established the internal audit division in line with the requirement of MFMA section 165 and the division's strategic documents have being developed, the municipality is in the process of improving the capacity of the division in terms of human resources and training.

7.2.2 Audit committee

Municipal finance Management Act, No. 56 Of 2003

Section 166: Audit committees

(1) Each municipality and each municipal entity must have the audit committee, subjected to subsection (6).

(4) The audit committee must:

a) Consist of three members with appropriate experience, of whom the majority may not be in the employ of the municipality,

Meet as often as is required to perform its functions, but at least four times a year.

The municipality is using the function of the Xhariep District municipality's shared audit committee services and the reports will be issued as per the requirements of MFMA section 166.

7.2.3 Oversight committee

The municipality as per the requirements of MFMA section 127 and National Treasury MFMA circular 32 must establish the oversight committee.

The municipality has appointed the oversight committee and the schedule has being developed for the sitting of the committee.

7.2.4 Risk management, fraud and Corruption

As per Municipal Finance Management Act No. 56 of 2003 section 63 (1) the Accounting officer of a municipality is responsible for managing the financial administration of the municipality, and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically. The municipality has and maintains effective, efficient and transparent system of financial and risk management and internal controls.

The municipality has developed the risk management, fraud and corruption strategic documents and currently using the function of Xhariep District Municipality's shared services. The following strategic documents have being developed:

1. Risk management policy
2. Risk management strategy
3. Risk committee charter
4. Fraud prevention plan
5. Fraud response plan

The municipality is in the process of conducting risk assessments and development of risk registers for both strategic and operational, the internal audit division of the municipality will monitor and evaluate the efficiency and effectiveness of the risk management process in the municipality and reports will issued to the risk management committee, audit committee and council.

7.2.5 Ward committees.

Ward committees have been established and the department of Cogta provided the first training. They have not functioned as expected, in order to get them functioning, ward councillors should play their roles.

7.2.6 Council committees

These committees are generally weak with most having never sat. This has a direct impact on the councillors to do their oversight role. The mayor should put more pressure on councillors call meetings of council committees.

7.2.7 Communication strategy

We do have a communication strategy in place, but the communication unit does not exist. This function is done at ad hoc basis. That is why the strategy will not be easily implemented and/ to be effective or to be reviewed from time to time.

7.3 Institutional Development and Transformation

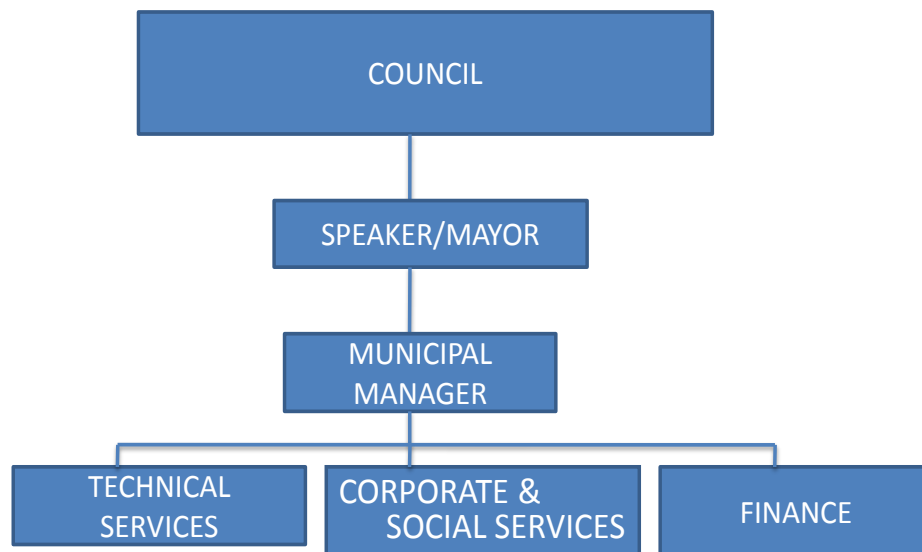
7.3.1 Information Technology (IT)

The municipality has made a submission to council and formal request to Xhariep District municipality for IT shared services to be extended to Naledi Local Municipality. Preliminary assessments was performed by IT official from the District Municipality and recommendation has been made thereof.

7.3.2 Organizational Structure

This is the current organisational structure as approved by the council during 2010/11 financial year and it will be reviewed as part of the 2012/2017 IDP review processes.

STRUCTURAL ARRANGEMENT



7.3.3 Vacancy rate

We are currently in the process of filling middle management positions (4) and position of Director Technical Services.

7.3.4 Skills development plan

We are currently implementing approve WSP and as result there trainings that undertaken by employs in different sectors. This template provides an overview of an overview of the skills development' status quo for the municipality;

Department	Status quo	Service level						Challenges/Risk	Intervention required
		No. of employees	No. employees planned for training	Equity breakdown					
				G	A	D	R		
Technical services									
Water	Process control learner ship completed.	48	20	M /F	18-55	N	A	Level of education and age. Attendance due to shortage of staff.	ABET approved Recruit internally and subject to training Regular medical surveillance
Electricity	2	2	2	M	30-50	N	A	Shortage of electricians	Recruit electrician
		18,2 learners to be identified	10	M	30-35	N	A	Funding for 18,2 learners	Source funding
Refuse, Parks, Environmental Health and Waste Management	Waste management training completed.	2	2	F	25-35	N	A	CPD points for EHPs can't be obtained	Source funding from LGSETA.
	Training on environmental	18,2 learners to be identified	35					CPD points for EHPs can't be obtained	Increase own budget Review the organizational

	practice for 18,1 and 18,2 approved								structure.
Roads	On the job training provided								
Sewer	Plumbing learner ship for 18.1 and 18.2 approved	38 learners to be identified						Lack of funds	Source funding from LGSETA.
	Water works training completed	4	4	M	30-45	N	A	Lack of funding	Increase own budget Review the organizational structure.
Properties									
PMU	CAD training approved	3	4	M /F	30-35	N	A	Shortage of staff	Rotate employees for trainings
Administration	VIP Protection	2	2	M	40-45	N	A	Lack of funding Shortage of staff	Source funding from LGSETA.
	Advanced Driving								Increase own budget
	HR Management	5	5	F/ M	25-50	N	A		Review the organizational structure.
	MBA (In progress)	1	1	M	40-45	N	A		
	Gapskill completed	1	1	F	30-35	N	A		
	Records management completed	2	2	M /F	30-55	N	A		

	ODETDP learnership in progress								
	LLF training completed	1	1	M	25-40	N	A		
Total									

G = Gender A = Age D = Disability R = Race

Department	Status quo	Service level						Challenges/Risk	Intervention required
		No. of employees	No. employees planned for training	Equity breakdown					
				G	A	D	R		
Corporate services									
Housing	Housing applications processing	2	2	M	30-40	N	A	Shortage of staff	Source funding from COGTA. Increase own budget

G = Gender A = Age D = Disability R = Race

	Status quo	Service level						Challenges/Risk	Intervention required	
		No. of employee s	No. employees planned for training	Equity breakdown						
				G	A	D	R			
Financial services										
Income	MBA (in progress)	1	1	F	35-40	N	A	Lack of funding Shortage of staff	Source funding from LGSETA.	
Expenditure	SAMRAS system	13	13	M			A/	Lack of funding for		

	completed			/F	25-40	N	w	completion of phase 2	Increase own budget Review the organizational structure.
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G = Gender A = Age D = Disability R = Race

Department	Status quo	Service level						Challenges/Risk	Intervention required
		No. of employees	No. employees planned for training	Equity breakdown					
				G	A	D	R		
Office of the Municipal Manager									
IDP & OPMS	IDP Learnership (complete)	2	1	M	25-40	N	A	Lack of funding and Shortage of staff	Source funding from LGSETA.
	IDP Learnership (approved)	1	1	M	30-35	N	A		Increase own budget Review the organizational structure.
Internal Audit	IIA	1	1	M /F	25-30	N	A	Lack of funding Shortage of staff	
LED	LED Learnership (complete)	2	2	M	25-45	N	A	Lack of funding Shortage of staff	

G = Gender A = Age D = Disability R = Race

7.3.5 Human Resource Management strategy/plan

The Human Resource Policy is being review and it will be presented to Council for adoption by the end of April 2012. Human Resource Management strategy/plan will be developed before the end of the financial year.

7.3.6 Individual Performance and Organizational Management Systems

Individual Performance framework and Organisational Management Systems have been developed and will be submitted to LLF and Council before the end of April 2012

7.3.7 Monitoring, evaluation and reporting processes and systems

Monitoring, evaluation and reporting framework developed and will be submitted to LLF and Council – however more information will be taken from Outcome 9 which has been presented to the District IGR

7.3.8 Individual Performance and Organizational Management Systems

Much as Local Government in South Africa has undergone transformation since 2000. A great deal of change has been to correct imbalances, inequalities and disparities within our local communities which came as a result of Apartheid regulations and policies. Performance management is a holistic process of people management in which the primary objective is the establishment of a culture in which individuals and groups take responsibility for the achievement of high levels of organizational performance through the enhancement and full utilization of their own skills, behavior and contributions .The process ensures that there is a shared understanding of what needs to be achieved at every level in the municipality and provides the management with tools for leading and developing staff to achieve organizational goals.

Section 56 Managers (Managers Accountable to the Municipal Manager) and the Municipal Manager has signed Performance Agreements, Individual Performance Plans and Performance Contracts. It is in this case, where the municipality has to draw performance plans which are linked to the job descriptions for the lower levels.

7.3.9 Monitoring, Evaluation and Reporting processes and systems

All managers whom are accountable to the Municipal Manager are reporting in terms of Service Delivery and Budget Implementation Plan – Quarterly, all Managers are reporting in line with this SDBIP.

Currently, the Municipality has also been reporting in terms of Outcome 9, which has 7 critical Outputs - The milestone for the 2011/12 financial year is also considered for the reason that some of the milestones will roll over from 2011/12 to 2012/13 and implementation needs to be tracked in this regard.

7.4 Financial Viability

7.4.1 Tariff policies

Tariff policies have been developed and awaiting to be presented to Council for adoption with the Budget.

7.4.2 Rates policies

Rates policies have been reviewed and are awaiting to be presented to Council for adoption with the Budget and all budgeted related policies will also be submitted to Council for adoption.

7.4.3 SCM policy – staffing

We have introduced the interim structure, however, the Municipality is in the process of establishing SCM unit and the process of appointing additional personnel will be completed before the end of June 2012.

7.4.4 Payment of creditors

Municipality is paying its creditors within 30 days, however, in cases where we experience cash flow problems, municipality negotiable with creditors regarding the terms of payments. Bloem Water is owed **R21, 334 537.50 (14 February 2012)** by the Naledi Municipality. The Bloem Water outstanding balance is inclusive of amount that was supposed to be paid by the ex Motheo District Municipality. According to the agreement reached between Bloem Water and Naledi Municipality dated 26 August 2011, the Municipality committed to pay the outstanding debt from funds received in terms of the ex Motheo District disbandment settlement amount on receipt of the settlement by 31 October 2011. The outstanding amount to be settled excludes interest. The Board of Bloem Water undertook to consider writing off the interest only when all the payments are effected in accordance with the stipulation of this agreement. It was agreed that the Municipality must inform Treasury on receipt of the amount for disbandment and payment to Bloem Water. However, the said amount was not paid to Naledi Municipality. The matter is currently dealt with by the department of treasury (both national and province) and GOGTA Free State province.

7.4.5 Auditor General Findings – issues raised in the report if any

Audit Action Plans for 2010/2012 addressing Auditor-General findings have been completed. Audit General's findings reported in the Audit and Management Reports are being implemented. Audit Steering Committee meeting will be held on weekly basis in order to monitor the implementation of the Audit Action Plan. The Audit Steering meeting will be co-ordinated by the Office of the Acting Municipal Manager and all section 56 and divisional managers form part of the Audit Steering Committee meeting.

7.4.6 Financial Management systems

We are currently training BTO official regarding all module of Samras Financial System. However, training regarding salary and billing have been completed.

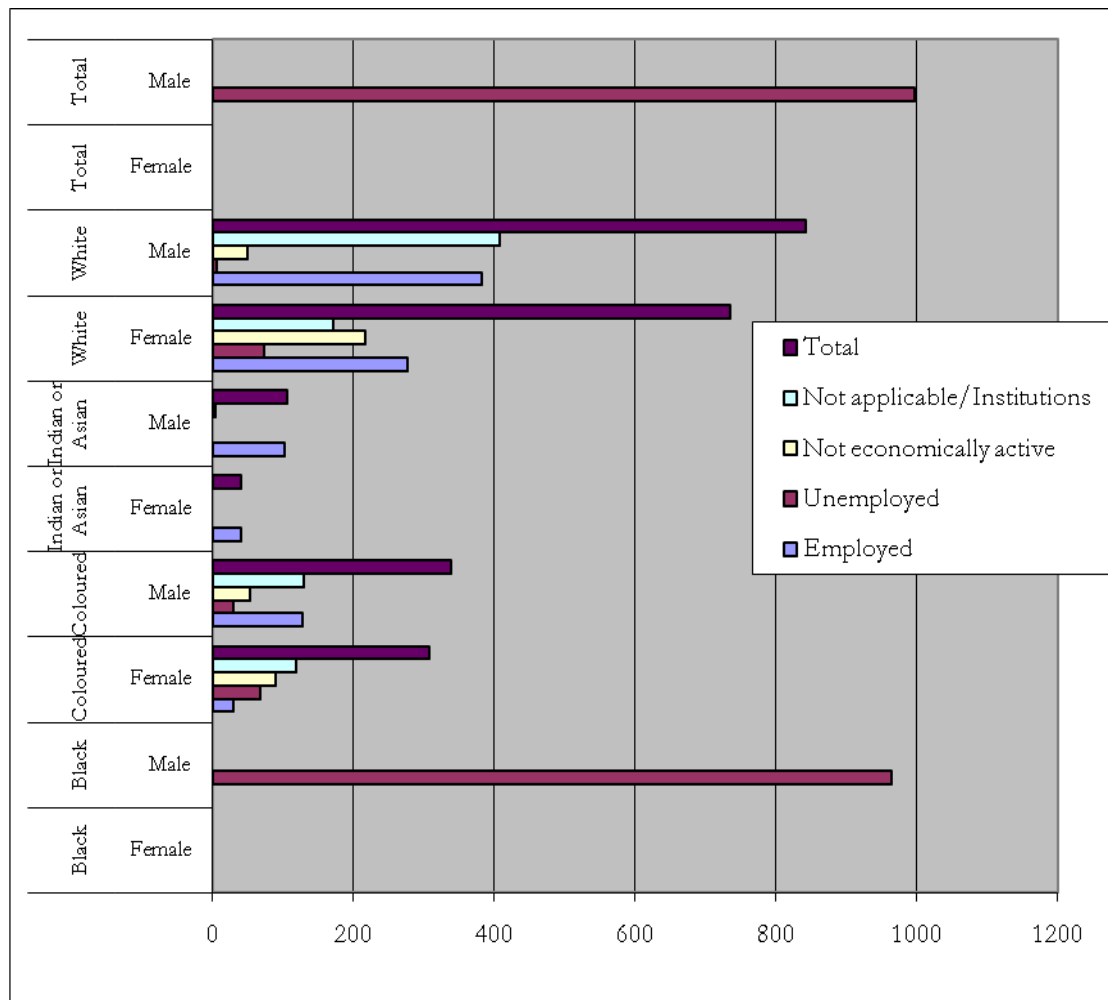
7.5 Local Economic Development

7.5.1 LED STRATEGY

The LED strategy was developed in December 2011, it was intended to be used as working document of 2012 to 2017 reviewed annually. At the time of development, alignment with the Xhariep IDP was not possible due to unavailability of the updated statistical information from Statistic South Africa. An understanding was developed that in the next review attempts will be made to align the strategy with the district IDP.

7.5.2 Unemployment rate

According to the Statistics South Africa Community Survey 2007, and estimated 26% of the population in the Motheo district is in formal employment. Accordingly the employment rate in Naledi represents 0.4% of the total employment rate of the region (i.e 26%), which is a significantly low proportion. The graph below depicts the picture of this unemployment in 2007.



From the above presentation, it is evident that black male constitute the highest proportion of employed people, followed by white male and white female. In general, females represents the lowest proportion of employed people in the municipality which will suggest that specific focus and attention should be paid towards developing ways and means to get more and more women employed and participating in the main stream economy.

Recent data from Statistics South Africa¹ reflects that in 2010 officially stood at 24% in the municipal area, a slight reduction of 2%. The figures also show that there has been steady growth in unemployment amongst all racial groups, with coloureds and Africans being the worst affected. Their averages stood at 25% and 36% respectively. It is however important to note that the official figure excludes those who have not applied for a job in the last four weeks before the study commenced and those who have totally given up on finding employment. The figure may therefore be higher if we were to utilize unofficial figures to include all those other groups.

7.5.3 Economic structure and functions

Naledi is composed of largely farmlands and agriculture serves as a base of employment (for both males and females) for many households. Alternatively males seek employment as migrant labour in the neighbouring towns of the province and elsewhere which accounts for the number of female-headed households. However there is a significant growth in female headed households as it is a trend with all part of the country; this can be credited to different factors such as death, divorce, choice or migrant labour.

7.5.4 Socio-economic characteristics

There is a general balance in male/female-headed households in the local area. This can largely be ascribed to the geographic location and nature of the Municipality. A large section of the population is composed of present and former farm labours hence the low levels of education especially among those from the age of +45 years. Illiteracy creates a significant problem and impact on the local economic development. The percentage of the population with no education accounts for more than 55% of the total population.

There is a significant proportion of the population, especially in the farms and townships areas where the population only has a primary level of education. In addition, the majority of the population of the local area (approximately 25% - 45%) did complete their secondary education. The highest level of households with tertiary education qualifications is concentrated within the three main towns. However, due to limited job opportunities in the local area few of those with tertiary education qualifications remain in the Municipality.

Several other factors influence the level of skills and education within the municipality, the:

- ♦ Out migration of skilled workers in search of jobs outside the Municipality / Province
- ♦ Out migration of students to universities who do not return to the area once their degrees are attained.
- ♦ Increasing death rate as a consequence of the spread of HIV/AIDS.

¹ Extracted from Labour Force Survey 4th quarter 2010.

- ♦ Declining employment opportunities resulting in unskilled and semi-skilled to move to larger urban centres outside the Municipality/and or Province.

Consequently, large number of the local household are registered as indigent further straining the Municipal resources. The LED should serve as a catalyst for changes in these conditions.

7.5.5 NALEDI MUNICIPALITY'S VISION FOR ECONOMIC DEVELOPMENT

Naledi Local Municipality's vision is to strive to be a constantly progressive municipality where quality services and a healthy and safe environment empower the harmonised community to develop their own economic security in a sustainable local future for all. Naledi Local Municipality is committed to work with all relevant stakeholders at all levels in an endeavour to advance its vision and mission. Our sustainable development strategies are focused on exploitation and support of key local economic sectors to stimulate employment and growth, intensive capital investment in basic infrastructure to attract investment and create sustainable communities. These will be realised through the creation and maintenance of systems and governance structures to ensure accountability to the community.

The planning undertaken in developing the IDP was aligned with, and complements Governments Policy Priorities for 2010/2011 Medium Term Revenue and Expenditure Framework (MTREF) and other development plans of other organs of state so as to give effect to the principles of co-operative government contained in section 41 of the Constitution.

7.6 LED STATUS QUO

LOCAL ECONOMIC DEVELOPMENT

STATUS QUO	Existing	Non existing	CHALLENGES/RISK	INTERVENTION REQUIRED
MOROJANENG LEKOKO PIGGERY PROJECT (Dewetsdorp)	X		<ul style="list-style-type: none"> Lack of Funding Lack of Training for staff No Equipment /vehicle 	<ul style="list-style-type: none"> Source finding from relevant department Dept. of Agriculture must provide training Source funding for equipment /vehicle Sector depts. To intervene
KUTLWANO POULTRY PROJECT (Dewetsdorp)	x		<ul style="list-style-type: none"> Funding Procurement of site and building 	<ul style="list-style-type: none"> Source finding from relevant department The municipality must provide a business site, Source funding for building
EYETHU BRICK LAYING COOPERATIVE (Dewetsdorp)	X		<ul style="list-style-type: none"> Procurement of site Equipment /vehicle funding 	<ul style="list-style-type: none"> Source finding from relevant department The municipality must provide a business site, Source funding for building
DSW BAKERY (Dewetsdorp)	x		<ul style="list-style-type: none"> No delivery vehicles 	Source funding for purchase of at least 1 delivery vehicle
Ikemeleng Basadi	x		<p>No permanent operating site identified</p> <p>No funding</p>	<p>Municipality to identify operating site.</p> <p>Source of funding from Department of Social Development and Agriculture.</p>
DELA CASA – WOOD PROJECT(Dewetsdorp)	x		Lack of funding	Source funding
Ipopeng Basadi Poultry project (Wepener)	x		Lack of funding	Source funding from relevant sector departments
Ikaheng sewing and knitting (Wepener)	X		<p>Lack of funding</p> <p>Permanent building structure for operation.</p>	Source of funding from Department of Social Development.

Phahamisanang vegetables (Wepener)		X	No operating site identified. No funding No equipments	Municipality to identify operating site. Source of funding from Department of Social Development and Agriculture.
Mphatlalatsane Bakery (Wepener)		X	No equipments No Funding No permanent operating building	Source funding from relevant provincial department. Identify land for construction of permanent building structure.
Thandolwethu piggery cooperative (Wepener)	X		Lack of funding	Source funding from relevant sector department.
Ahanang Bakery (Van Stadensrus)		X	No funding	Source from relevant sector department.
Sunrise vegetables project (Van Stadensrus)	X		Lack of funding Lack of proper training.	Source funding from Department of Agriculture.
Lekgala Grass Project (Van Stadensrus)		X	Lack of funding Lack of proper training	Source funding from relevant sector department.
Ipopeng Basadi Art project (Van Stadensrus)		X	Lack of funding Lack of proper training	Source funding from relevant sector department.
Milk Dairy Goat Farming (Van Stadensrus)		X	No funding No machinery No operating site identified	Source funding from relevant provincial department. Identify land for construction of permanent building structure.
Tswelopele poultry project	X		Lack of funding Lack of proper training	Source funding from Department of Agriculture, Social Development and other relevant sector departments.

8 Development Strategies and Goals

Strategic Development Priorities

In terms of the development challenges and strategy, the following Strategic Development Priorities will serve as the drivers of the development agenda:

- SP 1:** LED and Job Creation
- SP 2:** Social Upliftment
- SP 3:** Municipal Infrastructure and Basic Service Delivery
- SP 4:** Community Safety
- SP 5:** Institutional Development

Strategic Objectives/ Key Performance Areas

Strategic objectives define *what* we want to achieve in terms of the development agenda.

The Strategic objectives are:

- SO 1:** Sustainable and quality living environment with efficient infrastructure.
- SO 2:** Economic prosperity based on a dynamic, diverse and shared economic base.
- SO 3:** Improve quality of life and social well-being.
- SO 4:** Efficient and financially viable municipality.
- SO 5:** Democratic and accountable governance.
- SO 6:** Institutional Excellence.

The Strategic Objectives (SO) is translated into Key Performance Areas (KPA) and it is important that these KPAs aligned to 5 National Key Performance Areas as articulated in the Department of Local Government five-year strategy. SOs and KPAs alignment are illustrated in the table below:

NATIONAL KPA's	STRATEGIC OBJECTIVES (SO)
1:Basic Service Delivery	Sustainable and Quality Living Environment with Efficient Infrastructure and Improve Quality of Life and Social Well being
2:Municipal Transformation and Organisational Development	Institutional Excellence
3: Local Economic Development	Economic Prosperity based on a Dynamic, Diverse and Shared Economic Base
4:Municipal Financial Viability and Management	Efficient and Financially Viable Municipality
5: Good Governance and Public Participation	Democratic and Accountable Governance

9 STRATEGIC OBJECTIVES AND STRATEGY ALIGNMENT

Service Delivery Budget and Implementation Plan (SDBIP) is a tool to facilitate the implementation of the Development Agenda. The SDBIP reflects Organizational Performance Objectives and highlight the alignment with strategies and plans from the other Spheres of Government, the associated cross cutting elements, and the integrated development programmes.

SDBIP outlines the high level plan of action with the following details:

- National Key Performance Areas;
- Municipal Key Performance Areas/ Strategic Objectives (SOs)
- The Key Performance Indicators (KPIs) which will monitor the performance of the organisation in addressing these challenges i.e. the outcome or impact of the actions;
- The High Level Strategic Units of Measurements to fill the gaps in service standards or expectations; and;
- The Long-term Targets which will monitor the delivery of specific outputs and will serve as the basis for specific projects and associated budgets.

The Strategic Objectives, with respective Strategy Alignment and the Key Performance Indicators, are as follows:

Free State Provincial Growth and Development Strategy (PGDS)

Develop and enhance infrastructure for economic growth and social development.

Xhariep District Municipality – District Wide Strategic Objectives

Ensure provision of basic infrastructure services for the Xhariep District Municipality as a whole and in so doing improve the quality of live for communities.

To ensure that all homes, including those of neighbouring farms have access to:

- Affordable and safe drinking water;
- Affordable and adequate sanitation systems;
- Affordable electricity as a source of power; and
- Safe waste management.

To ensure that all natural resources are well managed in a sustainable manner.

To ensure a safe and efficient system of roads linking the settlements and economic zones and which complements the system of public transport.

Naledi to realise the implementation of all basic service delivery needs and objectives to communities

- Water
- Electricity
- Housing
- Sanitation
- Roads and safety

Local Government Strategic Priorities
A clean, safe and healthy municipality.
National Spatial Development Plan (NSDP)
Address social inequalities with focus on people and not places - Invest in areas with both high levels of poverty and development potential. At areas with low development potential, focus on social transfers, HR development and labour market intelligence.
Free State Provincial Growth and Development Strategy (PGDS)
<ul style="list-style-type: none"> • Reduce poverty through human and social development • Develop and enhance infrastructure for economic growth and social development. • Ensure a safe and secure environment for all people of the province
Xhariep District Municipality – District Wide Strategic Objectives
<p>Ensure provision of housing in rural areas of the Municipality and in so doing provide security of tenure.</p> <ul style="list-style-type: none"> • The eradication of housing backlog within the area of the district and in so doing provide security of tenure. • Accelerate the provision of housing as a key strategy for poverty alleviation. • Utilise the provision of housing as a major job creation strategy. • Utilise housing as an instrument for the development of sustainable human settlements in support of spatial restructuring.
Xhariep District Municipality – District Wide Strategic Objectives
<p>Naledi Facilitation of housing backlogs and provision of land for human settlement purposes</p>

BASIC SERVICE DELIVERY

<u>National key performance area.</u>	<u>Municipal Objective</u>	<u>Project/ programme description</u>	<u>Key performance indicator</u>	<u>Baseline</u>	<u>MTERF</u>		
					<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>
Basic Service Delivery (BSD)	To provide quality and sustainable water services to the households, schools, clinics etc.	Install 0.5ml elevated water tank and interlinking pipeline in Dewetsdorp by July 2014,	0.5 ml elevated water tank	0	Phase 1 Network analysis, water leakage repairs	Phase 2 Construction of elevated tank and interlinking pipeline	Project completed
		Water conservation and demand management (minimisation of water leaks) in Dewetsdorp.	# of water conservation and demand management plan developed and implemented	0	0	1	0
		Installation of water meter in Dewetsdorp and Wepener	# of water meters installed	To be confirmed	1000	1000	1000
		Provision of infrastructure for 325 households in Dewetsdorp, Morojaneng Ext 8	# of households provided with basic infrastructure	509	325	100	75
		Provision of infrastructure for 325 households in Wepener, Qibing Ext 6	# of households provided with basic infrastructure	419	325	90	0
		Re - instating of Water Treatment works in Wepener	# of fully functionally water treatment works	2	0	0	1

		Development of the Water Master Plan in Naledi	# of water master plans developed	0	1	0	0
		Resuscitation of additional 2 Boreholes and feeder line in Kanana, Wepener.	# of resuscitated boreholes	7	2	0	0
Basic Service Delivery	To provide sustainable sanitation services to the households schools, clinics etc..	Provision of vacuum sewer system for 350 households in Van Stadensrus new development area	# of households provided with vacuum sewer system	358	325	0	0
		Refurbishment of waste water treatment works in Wepener	# Of refurbished waste water treatment works.	3	Ongoing	Ongoing	1
		Refurbishment of five raw Sewer Pump Station in Wepener	# of refurbished sewer pump stations	5	5	0	0
		Connection of 150 households and Pump Station in Dewetsdorp, Riverside	# of households connected	150	150	0	0
		Upgrading of sewer outfall line in Dewetsdorp	# of sewer outfall lines upgraded	0	0	1	1
Basic Service Delivery (BSD)	To provide accessible road infrastructure to household, institutions etc	Paving of internal streets (Kanana, Sophiatown, Qibing & Ebenhaeserhoogte)	KM of internal streets paved	0 Km	0km	1km	1km
		Development of Roads and Storm water master plan in Wepener	# of roads and storm water master plans developed	0	0	0	1
		Re-gravelling of internal streets in all three towns.	KM of roads gravelled	0 Km	3Km	3Km	3Km

		Procurement of one Tipper Lorry, TLB and Compactor	# of roads yellow fleet procured	5	0	1 Tipper Lorry	1 Compactor
Basic Service Delivery (BSD) Basic Service Delivery (BSD)	To provide regular and sustainable refuse removal services to the households, schools, clinics etc.	Procurement of two refuse trucks, refuse skips and land Bulldozer.	# of refuse yellow fleet procured	3	0	1 Refuse truck	1 bulldozer
		Refurbishment of Landfill site in Naledi LM, Dewetsdorp, Wepener and Van Stadensrus.	# of landfill sites refurbished.	3	1	1	1

Strategic Objective: Economic prosperity based on shared dynamic, adverse and shared economic base: Linked to National KPA 3

Strategy Alignment

Government Manifesto
<p>Address unemployment</p> <ul style="list-style-type: none"> • A growing economy to reduce unemployment and poverty by half. • Assist those who want to set up small businesses with skills, credit and other forms of support. • Position SA as strategic effective force in global relations. • Expand the public works and youth development programmes. • Support small enterprises, co-operatives and informal sector with non-financial and financial means. <p>Land Reform</p> <ul style="list-style-type: none"> • A fairer distribution of land. • Support rural small holder farmers. • Establish community and village markets.
Local Government Strategic Priorities
<ul style="list-style-type: none"> • Thriving and vibrant local economy and neighbourhoods. • Ongoing programme of contributing to the development of an employable, educated and skilled citizenry. • Facilitation of job creation and access to business opportunities.

- Continuous and positive interactions with all key economic anchors and actors.

National Spatial Development Plan (NSDP)

- Rapid Economic Growth that is sustained and inclusive as prerequisite for achievement of other policy objectives, amongst which poverty alleviation is key.
- Fixed investment spending is focused on localities of economic growth and/ or economic potential in order to gear up private sector investment, stimulate sustainable economic activities, and create long term employment opportunities.

Free State Provincial Growth and Development Strategy (PGDS)

- Stimulate economic development

Xhariep District Municipality – District Wide Strategic Objectives

To achieve a 5% growth target in the Xhariep District in order to halve poverty and unemployment by 2017.

- To address logistical constraints within the Xhariep District regarding the flow of goods, services and people;
- To implement support programmes in order to build the competitiveness of the region;
- To implement economic programme to enhance the human resources of the district and create linkages between businesses in the first and second economies.
- To provide a social safety net and support programmes to micro enterprises.

Land reform: To facilitate the transfer of 30% of agricultural land to historical disadvantaged individuals in next 15 years: To facilitate tenure security for all rural occupiers.

- Conduct a comprehensive resource audits.
- Determine the 30% target for the Xhariep District Municipality.
- Investigate different types of ownership in terms of land reform.
- Define criteria for various agricultural land reform projects.
- Streamlining the implementation of the Comprehensive Agricultural Support Programme
- Establish an Agricultural District Forum.
- Information sessions with farm workers, landowners and organised agriculture.

Xhariep District Municipality – District Wide Strategic Objectives

- Business co-operating together to achieve desired growth and secure the well-being of communities and individuals.
- Fair, rewarding and respectful workplace practices.
- Innovative, creative, competitive economic enterprises that meet needs and create opportunities.

Naledi Local Municipality – To enhance the local economic activities and create enabling environment for trade and investment

LOCAL ECONOMIC DEVELOPMENT (LED)

Nat KPA	Municipal objective	Project/ description	programme	Key performance indication	Baseline	MTERF		
						2012/ 2013	2013/ 2014	2014/ 2015
Local Economic Development (LED)	To enhance the local economic activities and create enabling environment for trade and investment	Facilitation of the community works programmes, in partnership with Cogta		# temporary jobs created for each financial year	1050	450	1500	1500
		Review of LED strategy		# LED Strategy reviewed and adopted by Council	1	1	1	1
		Establishment of brick manufacturing co-operative in Wepener		# of established co-operative	0	1	0	0
				# trainings conducted				
		Establishment of 3 waste recycling co-operatives		# of established co-operative	0	3	0	0
		Capacitating of 3 existing piggery projects in terms of both Finances and skills		# of trainings conducted	3	3	3	0
		Marketing of the municipality to become one of the tourist attraction point around the district and the province		# of tourism attraction sites branded and detailed brochures developed	0	3	1	1
				1 tourism marketing strategy developed	0	1	1	1

	Establishment of Lucerne co-operative in Van Stadensrus	# of Lucerne cooperatives established	0	0	0	1
	Establishment of Sand Mining co-operative in Wepener	# of sand mining cooperatives established	0	0	0	1

Strategic Objectives: Efficient and Financially Viable Municipality: Linked to National KPA 4

Strategy Alignment

Local Government Strategic Priorities

- Sound financial management systems.
- Development of annual and medium term outlook on revenue and expenditure plans and targets.
- Reduced dependencies on grant transfers.
- Timely and accurate accounting of public resources and effective anti-corruption measures.

Free State Provincial Growth and Development Strategy (PGDS)

- Improving financial governance and moving towards clean audit.

Xhariep District Municipality – District Wide Strategic Objectives

To maintain and operate an effective, efficient and sustainable financial system for the whole of the Xhariep District Municipal Area.

- To maximize income.
- To maintain and operate effectively and efficiently.
- To provide administrative support to all the Financial Departments.
- To maintain an independent and effective audit system.

Naledi

Enhance revenue management strategies that will enable the municipality to be a financially self-sustained municipality

MUNICIPAL FINANCIAL VIABILITY

Nat KPA	Municipal objectives	Project/ programme	Key performance indicator	Baseline	MTERF		
					2012/ 2013	2013/ 2014	2014/ 2015
Municipal Financial Viability and Management (MFVM)	Ensure accurate and timorously reporting and Planning	Conduct monthly budget control, reconciliation of general ledger accounts and report accordingly	# of reconciliations conducted	12	12	12	12
		Submission of annual reports prescribed by the MFMA by February (each year)	# annual reports submitted	1	1	1	1
		MFMA quarterly reports to Council, National Treasury, Provincial Treasury	# of quarterly reports submitted	4	4	4	4
		MFMA section 71 reports - monthly	# of section 71 reports submitted	12	12	12	12
		Timorously submission of Mid-Year report to Council. National & Provincial Treasury as per MFMA requirement	# of mid-year reports submitted	1	1	1	1
		SDBIP developed	# of SDBIP developed	1	1	1	1
	To develop a compliant budget and financial statements.	Timeously prepare and submit the Annual Financial Statements to Auditor-General in newly	# of annual financial statements submitted	1	1	1	1

		accepted GRAP format					
		Development of draft budget	# of council adopted draft budget	1	1	1	1
		Timeously approval of annual budget as per required timeframe of MFMA	# of council approved budget	1	1	1	1
		Preparation and approval of Adjusted Budget	# of council approved adjusted budget	1	1	1	1
	To improve the financial viability of the municipality and basis service delivery	Improvement in conditional grant spending - capital	% of total conditional capital grants spent	100%	100%	100%	100%
		Improvement in conditional grant spending - operational	% of total conditional operational grants spent	100%	100%	100%	100%
		Development of GRAP compliant asset register	# of GRAP compliant asset registers developed	1	1	1	1
		Secure investments of municipal finances.	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	2.5:1 (ratio)	2.5:1	2.5:1	2.5:1

Strategic Objective: Institutional Excellence: Linked to National KPA 2

Strategy Alignment

Government Manifesto
Institutional Development <ul style="list-style-type: none"> Improving the capacity of administration.
Local Government Strategic Priorities (KPA's)

- An IDP that is the expression of state-wide planning as a whole.
- A balanced sustainable economic development programme that is part of the IDP.
- Establishment and functionality of all core municipal policies and systems as required by law.
- Implementation of continuous management reform and improvement.
- Empowering employees through focused and continuous professional/ skills development.
- Development and functionality of effective accountability and performance management mechanisms for councillors and officials.
- Sound labour/management and HR relationships.
- Increased and appropriate utilisation of technology.

<u>Nat KPA</u>	<u>Municipal objectives</u>	<u>Project/ programme description</u>	<u>Key performance area</u>	<u>Baseline</u>	<u>MTERF</u>		
					<u>2012/ 2013</u>	<u>2013/ 2014</u>	<u>2014/ 2015</u>
Municipal Transformation and Institutional Development (MTID)	To ensure that the municipality adhere to representivity in line with its employment equity plan	Development and implementation of the municipal skills development plan	1 skills audit conducted	1	1	1	1
			1 skills development plan submitted to LGSETA	1	1	1	1
			# of employees trained in terms of the skills development plan	72	85	90	95
		Capacitating women to be employed in the senior positions	% Employed in the three highest level of management who are women	30%	50%	50%	50%
	Implementation of HR strategy and employment reward programme	Development of performance employee reward system	1 employee reward system developed	0	1	0	0
		Implementation of municipal performance management system.	% Increase in the number of staff participating in the employee reward	0	0	20%	80%

			programme				
		Review of the municipal HR strategy.	# of approved HR strategy	1	1	1	1
		Effective labour relations	No of meetings of the LLF convened	0	10	10	10
		Targeted skills development	The percentage of budget spent on implementing its workplace skills plan	1%	1%	1%	1%
	Ensure the development of a credible Integrated Development Plan	Approval of an MSA compliant IDP by Council (Annual Review) – March	1 credible IDP developed	1	1	1	1
	Ensure effective Planning and Project management	Review and approval of LED Strategy	# of approved LED strategies	1	1	1	1
		Align of DM Spatial Development Framework with local framework	# of Approved Spatial Development Frameworks	1	1	1	1
		Water Services Development Plan	# of approves Waster service development plans	0	1	1	1
		Disaster Management Plan (linked to DM Plan)	# of approved disaster management plan	0	1	1	1
		Review and approval of Financial plan	# Of approved financial plans	0	1	1	1
		Develop the HIV/AIDS strategy	HIV/AIDS strategy approved by council	0	1	1	1

	Improve public participation in the IDP processes	Convene IDP rep forums.	# of IDP Rep forum convened	4	4	4	4
	To ensure Performance Management and Reporting	Consolidation of quarterly report from respective departments	# of management Performance Reports submitted to council	4	4	4	4
	To ensure proper and fully functioning and internal audit and risk management	Submission of quarterly reports to the audit committee and council	# of internal audit reports submitted to the audit committee and council	0	4	4	4
		Submission of quarterly risk management reports to the risk committee, audit committee and the council	# of risk management reports submitted to the risk management committee, audit committee and the council	0	4	4	4
<u>Nat KPA</u>	<u>Municipal objectives</u>	<u>Project/ programme description</u>	<u>Key performance area</u>	<u>Baseline</u>	<u>MTERF</u>		
					<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
Good Governance and Public Participation	To ensure that all stakeholders in the Municipal system participate in effective communication.	Increased in number of feedback on draft IDP	# of community meeting held.	0	12	12	12
		Develop a database for community based organisations	# of community based organisation REGISTERED by the municipalities	0	10	10	10
		Increased number of functioning ward committees	# of ward committee meeting held	0	12	12	12
		Develop a municipal communication strategy	# of council approved Communication strategy.	Draft	1	1	1

10 PROJECTS AND PROGRAMMES

PROJECTS TO BE IMPLEMENTED IN THE NALEDI LOCAL MUNICIPALITY

10.1 WATER

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 /2015	Internal	External (identify)
BASIC SERVICE DELIVERY	1. To provide the reliable water supply.	Install 0.5ml elevated water tank in Dewetsdorp.		R22 320 723	√	√	√		MIG
		Installation of water meters.		R6 413 747	√	√	√		MIG
	2. To minimise the Bloemwater monthly account.	Development of the Water Master Plan in Naledi		R2m		√			XDM
		Upgrading of water treatment works and pumping main line from the dam in Van Stadensrus		R3,5		√			XDM
		Construction of new 0.5 Ml water storage in Van Stadensrus (Thapelong).		R5m		√			XDM
		Re - instating of Water Treatment works in Wepener		R150m			√		DWA
		Drilling of additional Boreholes Kanana in Wepener.		R3,5m		√			XDM

10.2 SANITATION

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Basic Service Delivery	1. Provision of facilities and services for the safe disposal of human urine and faeces.	Provision of infrastructure for 325 households in Dewetsdorp, Morojaneng Ext 8		R 3 m		√			H/S
		Provision of infrastructure for 325 households in Wepener, Qibing Ext 6		R 3 m		√			H/S
	2. Improve Inadequate sanitation is a major cause of disease world-wide and improving sanitation.	Provision of vacuum sewer system for 350 households in Van Stadensrus new development area		R 3.5 m		√			H/S
		Upgrading of waste water treatment works in Wepener		R3 058 000	√	√	√		MIG
		Refurbishment of five raw Sewer Pump Station in Wepener		R450 000	√			NALEDI LM	
	3. Beneficial impact on health both in households and across communities.	Connection of 150 households and Pump Station in Dewetsdorp, Riverside		R5 m	√	√	√		MIG

10.3 ROADS

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Basic Service Delivery	1. Provision of primarily for the use of road motor vehicles running on their own wheels.	Paving of internal streets(Kanana, Sophiatown, Qibing & Ebenhaeserhoogte)		R9 502 000	√	√	√		MIG
		Development of Roads and Storm water master plan in Wepener		R3,5m		√			MIG
	2. Beneficial impact on health both in households and across communities.	Re-gravelling of internal streets in Wepener.		R200,000	√	√	√	NALEDI LM	
		Re -gravelling of internal streets in Dewetsdorp.		R200,000	√	√	√	NALEDI LM	
		Re -gravelling of internal streets in Van Stadensrus.		R150,000	√	√	√	NALEDI LM	
		Re-sealing of portholes in Wepener.		R150,000	√	√	√		EPWP
		Re-sealing of portholes in Dewetsdorp		R150,000	√	√	√		EPWP
		Rehabilitation of road (Zastron – Wepener)		R 8 m	√	√			Police, roads and transport

10.4 REFUSE REMOVAL AND SOLID WASTE MANAGEMENT

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Basic Service Delivery	1. To provide quality and sustainable refuse removal services in Naledi LM Households.	Procurement of the refuse truck, refuse skips and land Bulldozer.		R5m		✓	✓		XDM & DETEA
		Licensing of landfill sites in Naledi LM, Dewetsdorp, Wepener and Van Stadensrus.		R3,5m		✓	✓		XDM & DETEA
		Refurbishment of Landfill site in Naledi LM, Dewetsdorp, Wepener and Van Stadensrus.		R4m		✓	✓		XDM & DETEA
	2. To ensure licensed and proper management of landfill site.								

10.5 LAND AND HOUSING

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Basic Service Delivery	To ensure sustainable human settlements that address spatial inequalities, which is inclusive socially, economically, integrated and which will restore	Construction of 70 Housing for low income earning in Dewetsdorp		R5.04M	✓				Human Settlements
		Construction of 51 Housing for low income earning Wepener		R3.67M	✓				Human Settlements
		Construction of 115 Housing for low income earning Van Stadensrus		R8.28M	✓				Human Settlements

	dignity	Construction of 600 housing for low income earning in Dewetsdorp		R43.2M		✓			Human Settlements
		Construction of 600 housing for low income earning in Wepener		R43.2M		✓			Human Settlements
		Construction of 250 housing for low income earning in Wepener		R18.M		✓			Human Settlements
		Construction of 300 housing for middle income earning in Naledi.		R50M		✓	✓		Human Settlements
		Development of compliant Spatial Development Framework		R200 000.00	✓			✓	
		Development of housing sector plan		200 000.00	✓			✓	

10.6 ENVIRONMENTAL HEALTH

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Environmental Management	To manage and prevent harm of the environment and ensure its sustainability	Greening and Gardening Services		R 335 000	✓	✓	✓	NLM	
		Working on waste		R 165 0000	✓	✓	✓	NLM	
		Urban Renewal-Cleaning of Public Open Spaces		R 270 000	✓	✓	✓	NLM	
		Food for Waste		R 410 0000	✓	✓	✓		
Waste and refuse	To facilitate provision of integrated waste management services to	Conduct section 78 study on waste management		R 800 000	✓	✓		NLM	

	residential and non-residential consumers in the district								
Municipal health	To build capacity of the district to perform its municipal health function	Devolution of municipal health services		R 1,5 M	√	√	√		XDM
Cemeteries	To coordinate and support provision of safe and proper burial spaces by our local municipalities	Provision of burial sites Provision of sanitary facilities		R 100 000.00	√			NLM	
Disaster management	To manage and prevent harm of the environment and ensure its sustainability	Establishment of disaster management control room		R 850 000			√		XDM
		1x main truck (fire fighters with jaws of life)		R 5 m		√			XDM
		2x fire fighter engines		R 700 000		√			XDM
		Establishment of Fire Fighting Unit		R 1 m		√			XDM
		Awareness Campaigns		R 100 000		√			XDM
		Establishment Disaster Management Advisory Forum		R 30 000	√				XDM
		Fire Extinguishers		R 80 000	√	√	√		XDM

10.7 FINANCIAL VIABILITY

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Municipal Financial Viability and Management (MFMA)	1. To improve overall financial management in the municipalities by developing and implementing appropriate financial management policies, procedures and systems	Unbundling of infrastructure Assets and updating of GRAP Compliance Assets Register		R2,6m	✓	✓	✓		FMG & XDM & MSIG
		Training of staff on financial systems		R 500 000	✓	✓	✓		
		Implementation of SCM unit and training of personnel		R 500 000	✓	-	-		
		Implementation Records management system		R 500 000	✓				MSIG
		<i>Debtors Cleansing exercise and Update indigent Register</i>		R1.5m	✓	✓	✓		

10.8 LOCAL ECONOMIC DEVELOPMENT

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
Basic Service Delivery	To enhance the local economic activities and create enabling environment for trade and investment.	Morojaneng Lekoko Piggery Project in Dewetsdorp		R 550.000		✓			Xhariep District and Dept. of Agriculture
		Thandolwethu Piggery Project in Wepener		R 250.000		✓			
		Piggery Project in Van Stadensrus		R 250.000		✓			
		Eyethu Brick Manufacturing Co-operative in Dewetsdorp		R 300.000	✓			Naledi Local Municipality	DTEEA

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
		Ipopeng Basadi Poultry project in Wepener		R 100.000	✓			Naledi Local Municipality	Dept. of Agriculture
		Tswelopele poultry project (Van Stadensrus)		R 100.000	✓				
		Ketlwano Poultry Project in Dewetsdorp		R 100.000		✓			
		Phahamisanang vegetables (Wepener)		R 50.000		✓			Dept. of Agriculture & Social Development
		Sunrise vegetables project (Van Stadensrus)		R 50.000		✓			
		Ikemeleng Basadi vegetable (Dewetsdorp)		R 50.000		✓			
		DSW BAKERY (Dewetsdorp)		R 50.000	✓			Naledi Local Municipality	DTEEA
		Mphatlalatsane Bakery (Wepener)		R 300.000			✓		
		Ahanang Bakery (Van Stadensrus)		R 100.000		✓			
		Lekgala Grass Project (Van Stadensrus)					✓		DTEEA
		Ipopeng Basadi Art project (Van Stadensrus)		R 200.000			✓		DTEEA
		Establishment of 3 waste recycling co-operatives					✓		DTEEA
		Establishment of brick manufacturing in wepener			✓				DTEEA
		Establishment of Lucerne co-operative in Van Stadensrus		R 1 m			✓		Dept. of Agriculture & DTEEA
		Establishment of Sand mining co-operative in wepener		R 3 m			✓		Dept. of Mineral Resources
		Ikaheng sewing and knitting (Wepener)		R 50 000		✓		Naledi Local Municipality	

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 / 2015	Internal	External (identify)
		Trainings of All Co-operatives		R 100 000	✓	✓	✓	Naledi Local Municipality	
		Community gardens		R 3 601 000		✓	✓		Rural developm ent
		Food security		R 1 957 000		✓	✓		Rural developm ent
		CWP		R 10 m		✓			
TOURISM									
		Caledon Nature road		R 8 121 000	✓	✓			Environm ental affairs
		Fencing to infrastructure (Caledon)		R 2 625 000	✓				Environm ental affairs
		Arts and craft – Dewetsdorp & Wepener		R 500 000		✓			

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 /2015	Internal	External (identify)
Employment Equity plan Work Place Skills plan Employment Equity plan Work Place Skills plan Employment Equity plan	To prepare and implement municipal employment equity plan by June 2012	Employment Equity Survey Development of employment equity plan		R 200 000	√	√	√	NLM	
	To prepare and implement municipal work place skills plan by June 2012	Training needs analysis Training of employees on Basic training on fire fighting and First Aid Training of staff according to WSP Training of local youth		R 200 000	√	√	√	NLM	LGSETA
Communication	To facilitate provision of effective communication network to enable private and business development	Review of Communication policy Review of language policy Establishment of local news letter and assistance to the current local newspaper Re-establishment of institutional network		R 610 000	√	√	√	NLM	

10.9 SPECIAL PROGRAMMES

Key Performance Area	Objective	Supporting projects	Proj. No	Cost Estimate	Implementation Year			Funding Source & implication	
					2012 / 2013	2013 / 2014	2014 /2015	Internal	External (identify)
Public participation		Installation of high mast lights in Morojaneng sports facility		R800 000		√	√	Naledi LM	
		Connection of water network in Morojaneng sports facility		R300 000		√	√	Naledi LM	
		Upgrading of Morojaneng sports facility		R500 000		√	√	Naledi LM	
		Resuscitation of borehole in Dewetsdorp showground		R200 000	√			Naledi LM	
		Procurement of additional machinery at Hoogte in-door sports facility		R400 000		√	√	Naledi LM	
		Launching of Naledi local sports council		R250 000	√			Naledi LM	
		OR Tambo Games		R300 000	√	√	√	Naledi LM	
		Mayoral cup		R300 000	√	√	√	Naledi LM	
		Schools tournament		R200 000	√	√	√	Naledi LM	
		Golden Games		R250 000	√	√	√	Naledi LM	
		Art & culture program		R 350 000		√	√	Naledi LM	
		Construction of Golf course in Wepener		R 3 m			√		Sports, arts and culture
		Swimming pools in Dewetsdorp		R 1.5 m			√		Sports, arts and culture

		Sports Academy		R 15 m		✓	✓		Sports, arts and culture
		Information centre		R 15 m			✓		Sports, arts and culture
		Wepener Qibing library		R 10 870 000	✓	✓	✓		Sports, arts and culture
		Vanstadensrus Library		R 5.5 M		✓	✓		Sports, arts and culture
		Emang Qibing disabled organisation		R 200 000		✓	✓		XDM
		Multipurpose sport complex		R4 113 233	✓	✓			MIG
		Community radio station		R 3 m			✓		Sports, arts and culture
		ICT hub – Dewetsdorp		R 3 m			✓		Sports, arts and culture
		Rugby Field – Dewetsdorp		R2 m			✓		Sports, arts and culture
		Library programmes		R 500 000	✓	✓	✓		Department of education

11 FINANCIAL PLAN

Introduction

Naledi Local Municipality has committed itself ensuring that the budgeting process is aligned to the IDP, which includes a multi-year budget forecasting model developed using financial modelling which allows for informed decision making in budgeting, borrowing and long term sustainability.

Furthermore, it was recognised that without the financial plan, the IDP would be incomplete. The Municipal Finance Management Act No. 56 of 2003 (MFMA) requires the municipality to take into account the IDP during the budget preparation process. It further requires the municipality to take all reasonable steps to ensure the municipality revises the IDP in terms of Section 34 of the MSA, taking into account realistic revenue and expenditure projections for future years.

Consequently the IDP process has been extended to include financial plan in this section of the IDP. The financial plan is set out as follows:

- Financial strategies for the 3 year period
- Financial issues
- Detailed 3 year financial strategy action plan
- Budget projections
- Capital and investment program

11.1 Financial Strategies

The financial strategies adopted by Council should include a general strategy which will apply to the detailed strategies, a financial resources (capital and operational) strategy, revenue raising strategy, asset management strategy, capital financing strategy, operational financing strategy and cost effectiveness strategy. These strategies have been incorporated into a detailed financial action plan that follows this section and details of the aforementioned strategies are set out below.

All aspects of matters relating to financial matters will take cognisance of councils social responsibility. A further aspect of social responsibility will focus on transformation and empowerment, for example in Council supply chain policy.

Council's main aim is to increase investor and consumer confidence by building on the sound financial base. This will include developing sufficient reserves and limiting risks by ensuring that major contracts are awarded to companies that have positive track record. At the same time Council must take cognisance of its social responsibilities and will only enter into agreements with partners and suppliers who can demonstrate a significant and continuing contribution to the empowerment of previously disadvantaged communities.

11.2 General

Social Responsibility

All aspects of matters relating to financial matters will take cognisance of councils social responsibility. A further aspect of so responsibility will focus on transformation and empowerment, for example in Council supply chain policy.

Engendering investor and consumer confidence

Council's main aim is to increase investor and consumer confidence by building on the sound financial base. This will include developing sufficient reserves and limiting risks by ensuring that major contracts are awarded to companies that have positive track record. At the same time Council must take cognisance of its social responsibilities and will only enter into agreements with partners and suppliers who can demonstrate a significant and continuing contribution to the empowerment of previously disadvantaged communities.

It is envisaged that an alliance with companies that have positive track record will in the long term contribute to the betterment of the community through investment and increased employment opportunities. Although preference on major contracts will be given to companies that have positive track record, Council will at the same time seek to improve the fortunes of the community by awarding affordable smaller contracts to businesses an individual's resident or operating within the jurisdiction of the Municipality.

In order to limit risk, Council reserves the right to have due diligence reviews conducted in respect of any new partners, institutions or suppliers, including major suppliers. Recognising that smaller contractors might have difficulty in securing lines of credit, Council will investigate mechanisms to assist these contractors without placing the Council at risk. One such method will be the direct payment to suppliers of the contractors via cession documents. Such payments being limited to the amounts which the emerging contractors owe the suppliers.

An important factor considered by investors in relocating to an area is the ability of the authorities to demonstrate financial discipline, adherence to statutory requirements, timely preparation and production of financial statements, adherence to generally accepted accounting practices and unqualified audit reports. In order for the finance department to deliver on these strategies, it is Council's intention to clearly define accounting policies and recruiting the best finance people for that department. To this end, Council will define recruitment policy for finance staff, put in place a pre- and continuing education policy and develop career progression paths for designated finance staff. Like the IDP the financial action plan will be subject to a regular review and comparison of actual performance to predetermined performance measures.

Financial Resources

For the purposes of this plan, Council has considered resources for both capital projects and operational purposes. The various resources available to Council are summarised below.

Capital expenditure:

1. Grant funding from both National and Provincial government
2. Capital market

3. Public/ private partnerships
4. Disposal of un-utilized assets

Operational expenditure:

1. Normal revenue streams
2. Short term borrowings:

External

Naledi Municipality's most significant source of revenue is from grants. The contribution of the various alternative streams of revenue will be subject to review.

Asset management

It is important to maintain a regular inventory of property, plant and equipment, implementation of a maintenance programme review and insurance cover. This part of the plan will be extended to assist in identifying and listing unutilised/ uneconomic assets with a view to disposal as previously indicated.

Financial management

Council is committed to sound financial management and the maintenance of a healthy economic base. Financial management policies and procedures for the entire municipality will be implemented.

In addition, financial management systems and procedures will be reviewed to incorporate the following:

1. Budgeting methods
2. Cash forecasts and cash flow monitoring against forecasts
3. Credit risk management
4. Investment policies
5. Management reporting
6. Supply chain management policies
7. Supplier payment periods
8. Supplier selection and monitoring procedures

Municipal staff will be encouraged to adhere to value for money principles in carrying out their functions. To assist finance staff achieve efficiencies their daily tasks a performance review incorporating time will be conducted on all functions. It is expected that this review will promote efficiencies in the finance department. Council has adopted a zero tolerance approach in respect of both internal and external audit reports and measures will be implemented to ensure that any material or fundamental issues are addressed immediately. It is expected that the internal audit function will raise any material or fundamental issues before external audit. Other issues arising will be prioritised and addressed accordingly.

Council recognises the need to maintain a positive cash flow at all times and will be investigating various avenues to improve cash flow. Proper management of cash flow will result in additional revenue in the form of interest earned.

Capital financing

When determining appropriate sources of funding it is important to assess the nature of projects, expected revenue streams and time frames for repayment. As a general guide, the following principles will apply:

- i. Statutory funds for fund specific projects
- ii. National and provincial government funding for medium term and long term projects
- iii. External borrowings for long term revenue generating and strategic projects

Operational financing

Council's policy is to fund operating expenses from normal revenue streams with short term funding being used as a last resort. It is expected that strong financial management including accurate cash forecasting will obviate the need to resort to short-term borrowings.

It is Council's intention to maintain a strong economic base by buying on good working capital management including the setting aside of adequate provisions for working capital. It is anticipated that these reserves will be based on the same principles as currently apply to existing statutory funds in that the respective reserve.

Cost effectiveness

In any organisation it is necessary to strive for cost effectiveness. It is Council's intention to develop outsourcing policies and review all non-core services with a view to outsourcing or alternate service delivery. The effectiveness of departments and services provided by the departments will be subject to value for money reviews. It is expected that these reviews will achieve cost savings.

Financial Issues – Naledi Local Municipality

Non payment of services

- i. Non payment of services is highest in the low income area;
- ii. Low cost housing consumers refuse to pay for refuse and rates;
- iii. Ward Councilors and Mayor will hold meetings with the community regarding the issue of nonpayment;
- iv. The total outstanding debt is increasing;
- v. The indigent policy needs to be revisited as part of the Naledi Municipality town's wide initiative being currently undertaken.

IDP/Capital Expenditure

- i. The municipality needs to prioritize its list of projects;
- ii. There is a shortage of funds for capital projects;
- iii. Business plans are needed for projects taking into consideration operational cost of projects.

Equitable share

The equitable share was significantly increased in 2012/13 which will have positive impact to the municipality.

Financial

- i. The budgeting process must comply with the MFMA and the Systems Act;
- ii. The budget needs to be linked to the IDP;
- iii. Unbundle of infrastructure assets need to be undertaken;
- iv. The financial policies need to be workshoped;
- v. An internal audit committee needs to be established. A shared service with the district municipality is currently in place.

Asset Management

- i. The budget for hired vehicles should be reviewed.
- ii. Log books should be implemented and signed by all employees that used
- iii. Municipal's vehicle tighter control over use of vehicles needs to be maintained

Detailed Financial Strategy Action Plan

Naledi Municipality is largely dependent on grants and subsidies as a source of income. The following strategies will need to be considered if the current situation is to be improved. Part of the LED strategy would be to attract local and national investment for development.

The municipality needs to identify all uneconomic and unutilised assets and dispose of these assets.

A debt management solution is needed to ensure consumers pay the outstanding and current debt. This is to be addressed through the Municipality wide revenue enhancement initiative. A project plan needs to be implemented for the implementation of the rates and taxes. Prepare project business plans that will assist in determining fairly accurate capital and operational funding requirements.

A dedicated person is required to liaise with grant funds establish a database and monitor the respective grant funders ensuring the municipality is receiving the required funding. The tariff charged for refuse must be cost reflective. Compile and develop indigent register working closely with the ward councillors.

Cost Reduction Strategy

Implement a cash flow monitoring system to maintain control over income and expenditure.
Ensure effective monitoring of vehicle fleet so that monthly mileage is not exceeded.

Financial Strategy Action Plan

- i. The financial strategy action plan identifies the most feasible strategies to increase efficiency and cost effectiveness within the Municipality.
- ii. The financial strategy action plan incorporates strategies covering a period of 3 years
- iii. The implementation of the financial strategy action plan requires a team effort. A team approach requires the involvement of the Council, Municipal Manager, and Chief Financial Officer and all Heads of Departments in implementing these strategies.
- iv. It is crucial that individuals to whom the responsibilities have been allocated according to the action plan be held accountable for the outcome of these actions.
- v. The progress made towards achieving these strategies should be measurable and it is essential that these strategies be included in the performance appraisals of individuals.

FINANCIAL STRATEGIES AND ACTION PLAN

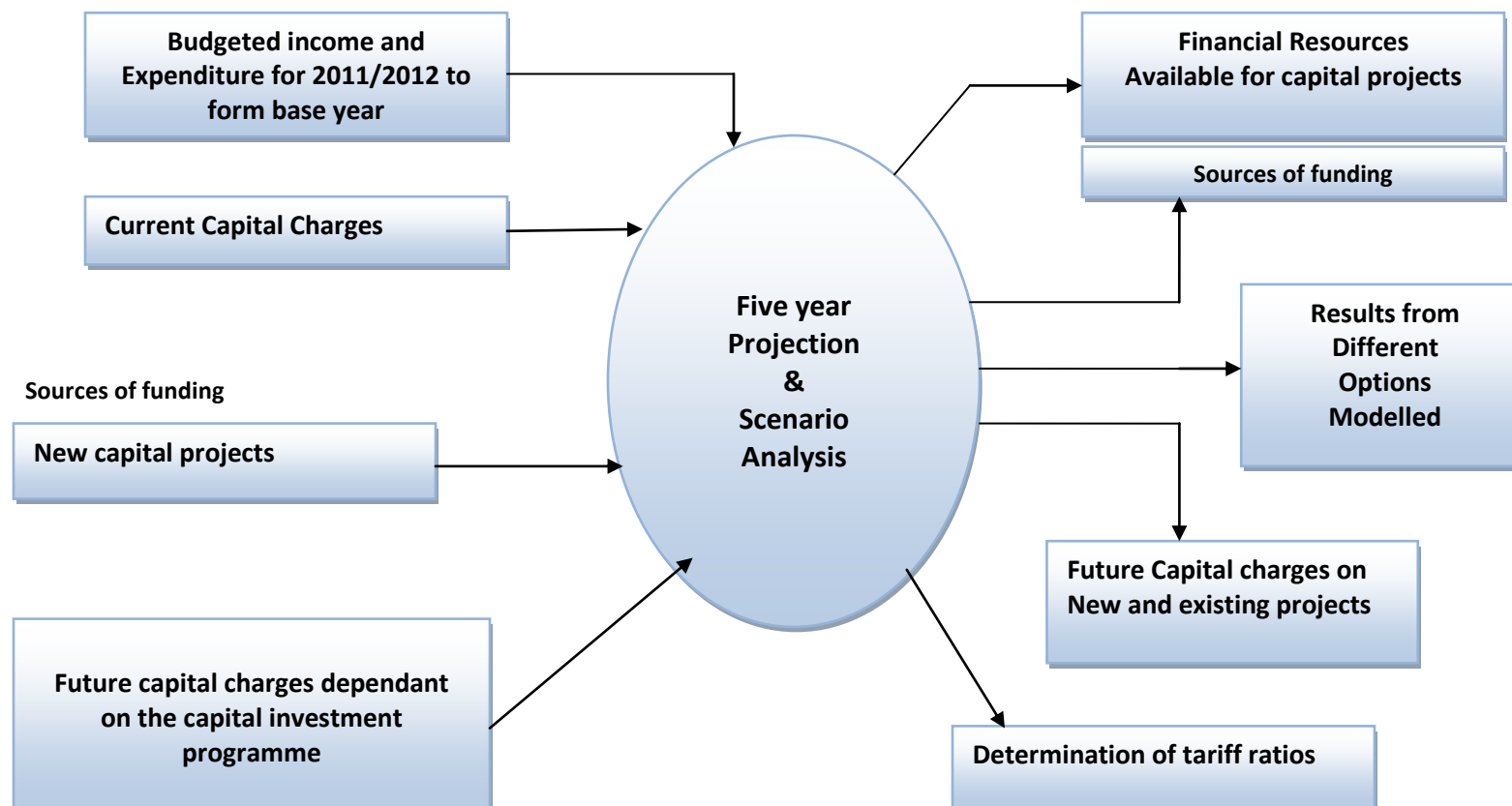
<u>FINANCIAL STRATEGIES</u>	<u>REDUCE COSTS</u>	<u>INCREASE REVENUE</u>	<u>ACTION REQUIRED</u>	<u>By whom</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>
Capital financing strategy		Obtain national and local grant funding to undertake projects	Dedicate a particular person to the function of raising grants	CFO	1	1	1
			Identify, establish, maintain and update database of all grant funders	CFO	1	1	1
			Undertake project feasibility studies and project plans	All Departments	Ongoing	Ongoing	Ongoing
			Approach prospective funders with IDP and financial plan for funding	CFO/IDP Manager & MM	Ongoing	Ongoing	Ongoing

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Asset management strategy	Effective asset management		Ensure asset Management system is Implemented and functional	CFO	1	(1) Ongoing	(1)Ongoing
			Ensure all assets are properly maintained	CFO	Ongoing	Ongoing	Ongoing
		Disposal of unutilised assets	Identify and list unutilised & uneconomic assets	CFO	Ongoing	Ongoing	Ongoing
			Dispose of unutilised assets	CFO	Ongoing	Ongoing	Ongoing
			Improve the use of Uneconomic assets	All Departments	Ongoing	Ongoing	Ongoing

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Financial management	Implement Internal controls		Workshop with staff & management all financial policies, procedures and document flows	CFO	2	2	2
			Implement a cash flow monitoring System. Monitor cash forecasts and cash flow against forecasts	CFO	12	12	12
			Prepare meaningful monthly management reports	CFO	12	12	12
			Consider the impact of The Municipal Finance Management Bill and Systems Act in the budgeting process	CFO	Ongoing	Ongoing	Ongoing
			Employ consultants to Assist with the unbundling of Infrastructure Asset and updating of the Asset Register	All Departments	1	-	-
			Ensure business plans are prepared for projects	All Departments	Ongoing	Ongoing	Ongoing
			Determine operational costs of new capital projects	CFO	Ongoing	Ongoing	Ongoing
Cost Effectiveness			Conduct a skills audit of financial division staff	HR	1	1	1

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Financial management	Implement internal controls		Develop and implement vehicle policy. Effective implementation and monitoring of vehicle fleet and maintenance	CFO	1	-	-

Principles of Financial Model



Budget Projections

Financial projections have been developed using a financial model developed for the Naledi Municipality. More importantly financial projection will give the municipality a long term look at financial health and force a change in the way it budgets. The five-year projection is based on certain basic assumptions reflecting on course of events that may occur or exist in the future. These assumptions have been discussed with the management team and are set out in the table below:

Assumptions:

The following assumptions were made when developing the model based on information provided:

INCOME

Description	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15
Property rate	2 547 000	5 933 000	6 253 000	6 591 000
Service - Electricity	-	19 171 000	24 744 000	31 972 000
Service – water	3 230 000	3 868 000	4 100 000	4 387 000
Service - sanitation	3 355 000	3 589 000	3 804 000	4 071 000
Service – refuse	2 248 000	2 451 000	2 598 000	2 780 000
Investment	-	1 100 00	1 200 000	1 300 000
Transfers recognised – operation	35 528 000	41 228 000	44 234 000	47 207 000
Other own revenue	1 963 000	5 410 000	5 541 000	5 612 000
TOTAL REVENUE	48 871 000	82 750 000	92 444 000	103 919 000

The major portion of income is from grants and subsidies.

The average year on year increase in revenue is as follows:

2012/13 – 68% due to the fact that for 2011/12 Electricity did not form part of the budget

2013/14 – 12%

2014/15 – 12%

BUDGET PROJECTIONS

EXPENDITURE

Description	Budget 2011/12	Budget 2012/13	Budget 2013/14	Budget 2014/15
Employee costs	22 972 000	26 970 000	28 562 000	30 522 000
Remuneration of councillors	1 827 000	1 816 000	1 925 000	2 060 000
Depreciation	1 500 000	1 700 000	1 800 000	1 900 000
Finance charges	48 000	70 000	80 000	90 000
Materials and bulk purchases	6 000 000	21 204 000	26 202 000	26 752 000
Transfers and grants	-	-	-	-
Other expenditure	16 469 000	29 054 000	27 039 000	27 934 000
TOTAL EXPENDITURE	48 816 000	80 813 000	85 608 000	89 257 000

The table above reflects the budgeted expenditure forecast for 2013 to 2015.

CAPITAL INVESTMENT PROGRAMME: CRITAL FUNDED PROJECTS

Category A	Budget		
	2012-2013	2013-2014	2014-2012
Paving Internal Street	1 000 000	2 000 000	6 502 000
Low Level Bridge	582 858	-	-
Waste Water Treatment Sewerage	1 464 202	393 866	1 200 000
Dewetsdorp Connection of Pump	442 557	4 557 507	-
House Hold Electrification	500 000	-	-
Multi Purpose Sport Complex	3 813 233	300 000	-
Installation of Water meters	2 700 000	2 650 000	3 000 00
Elevated Tank Interlinking PIP	7 300 000	7 296 127	10 500 000

A summary of the capital investment program is provided in the table above. The Projects are categorised into funded and unfunded projects. Attached in the chapter of the IDP is the list of funded projects. The municipality needs to approach the respective departments with business plans for funding these projects.